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Warsaw Residents Line Up for Newspapers Reporting the Change in Communist Leadership

By Paul Lewis
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U.S. Envoy Accuses Brzezinski Of Failing to Heed Iran Advice

By Bernard Gwertzman

WASHINGTON, Sept. 7 (NYT) — The last U.S. ambassador to Iran has accused Zbigniew Brzezinski, President Carter's national security adviser, of undermining American interests in Iran by urging the shah and his army to use force against the Iranian revolution, rather than reach an accommodation with it.

In an article certain to stir the controversy over whether Washington could have done anything

to avoid the hostage crisis in Iran, former Ambassador William Sullivan said that Mr. Brzezinski disregarded the advice of the U.S. Embassy, the State Department and the Central Intelligence Agency in a vain effort to keep the late shah and his designated successor, Shahpour Bakhtiari, in power.

Mr. Sullivan's article in the latest issue of Foreign Policy magazine is the first published account by any U.S. official involved in the chaotic Iranian events in 1978-79. It is a bitter attack on Mr. Brzezinski, with whom Mr. Sullivan said he had "increasingly acerbic" exchanges in the days preceding and following the takeover by Ayatollah Ruhollah Khomeini's followers.

When asked to comment on the piece, Alfred Friendly Jr., a spokesman for Mr. Brzezinski, said: "The article is self-serving and factually inaccurate. But this is not an appropriate time to debate such allegations in detail."

Mr. Sullivan, a veteran envoy, said that he decided to resign as an ambassador after he received a letter from Mr. Brzezinski that contained "an insulting aspersions upon my loyalty." He is now president of the American Assembly, a nonprofit organization that publishes books on public issues.

The article is not so much a detailed history of the events as much as it is Mr. Sullivan's attempt to defend his recommendations to Washington, which he claims could have led to a U.S.-supported transition to power of Mehdi Bazargan, whom he called "a benevolent Social Democrat."

Mr. Sullivan said that on Nov. 9, 1978, while the shah was still in power, he called Washington to tell him that the shah had decided to resign and that the United States should "broker an arrangement" so that the armed forces would remain intact and be under the direction of a government "that would have the blessing of Khomeini."

"I never received a reply to this fundamental message," Mr. Sullivan wrote. "Instead, it soon became apparent that my views were no longer welcome at the White House."

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Kania, Replacing Giersek, Backs Gdansk Agreements

Brezhnev Welcomes New Leader

By Dusko Doder

MOSCOW, Sept. 7 (WP) — Soviet President Leonid Brezhnev yesterday warmly welcomed the selection of Stanislaw Kania as Poland's new leader and called him a "staunch" Communist who is firmly committed to "the inviolable friendship" between Poland and the Soviet Union.

In a message that went beyond routine congratulations, Mr. Brezhnev praised the new Polish leader as champion of "the leading role" of the Communist Party and expressed "the firm conviction" that Poland would quickly overcome its current labor difficulties.

Referring to the political turmoil that climaxed with the downfall of Edward Giersek, Mr. Brezhnev extended his personal endorsement to Mr. Kania. "In the conditions of struggle for the consolidation of Poland's 'Socialist gains,'" Mr. Brezhnev said, "you display a principled attitude, courage and high consciousness of the Communist duty."

In a more restrained message to the new Polish premier, Jozef Piskorski, Soviet Premier Alexei Kosygin also expressed confidence in continued "fraternal friendship, inviolable unity and fruitful cooperation" between the two countries.

The messages were distributed by Tass and were clearly designed to demonstrate support for the new leadership in Warsaw.

Earlier in the day, Tass reported Mr. Giersek's removal from his posts because of "a serious illness." The fact that Mr. Giersek had been removed from the Politburo was a clear signal that he had been ousted for political reasons, however.

Mr. Giersek's ouster had been expected in informed circles here. His name disappeared from the Soviet press last week and East European diplomats said Mr. Giersek's departure was inevitable after two government shake-ups, particularly after the last one in August that has failed to pacify striking workers in Poland.

This had brought to the fore serious doubts here and elsewhere in Eastern Europe whether Mr. Giersek was the right man to ride out Poland's economic and political crisis. There were no suggestions here that Moscow had lost confidence in him personally. Mr. Giersek had a good personal relationship with Mr. Brezhnev, whom he met several times this year and most recently during Mr. Giersek's Black Sea vacation in early August.

Indeed, there are rumors among (Continued on Page 2, Col. 6)



Stanislaw Kania

Soviet Media 'Exaggerate,' Schmidt Says

By Helmut Schmidt

BONN, Sept. 7 (AP) — Chancellor Helmut Schmidt accused the Soviet news media of "exaggerated aggressiveness" against the West today, and rejected the notion that Moscow had showed restraint during recent labor unrest and political developments in Poland.

"It is being claimed [by Moscow] that the West interfered in Poland, et cetera," Mr. Schmidt was quoted as replying to a question from the Cologne-based radio station Deutschlandfunk. "I cannot evaluate this [charge and others] as restraint. Some are far-reaching exaggerations which must be clearly rejected for their generalizations."

The Soviet leadership knew that, because of its military intervention in Afghanistan, it had come dangerously close to isolation in the world, Mr. Schmidt said.

"It would surely have been difficult for them to cope with even more such charges," he said. "At the same time, he emphasized that the West German government had no indications that Moscow had contemplated such interference at any time during the Polish unrest."

Help From Abroad
Putting into effect the Gdansk labor accord and other agreements between Warsaw and striking workers will take much time, Mr. Schmidt told the radio station. With help from abroad, this may be achieved a little faster, he said, but added, "I am by no means of the opinion that credits by German banks can restore Poland's economy," apparently referring to a 1.2-billion marks credit (about \$400 million) granted by West Germany last month.

The arrest of Gen. Heinz Bernhart Zorn, 68, is the second spy case in France involving East Germans this year.

Officials said that Gen. Zorn was arrested Aug. 19 by counter-espionage agents on the street in Lille, an industrial city 208 kilometers (130 miles) north of Paris. They said the agents found military documents about French tanks and anti-tank weapons.

Officials would not reveal where the military documents were obtained or if any others were involved in the case.

Gen. Zorn was arrested and taken to the headquarters in Paris of the Service for External Documentation and Counterespionage — the central intelligence agency — where he was held for six days before being brought before the Court of State Security and charged with espionage and relations with agents of a foreign power. Officials said that he is being held in Fleury-Mérogis Prison in the Paris suburbs.

Gen. Zorn, who was a major on the Luftwaffe general staff in Norway in 1942, is said to have been linked with the Communist National Committee of Free Germany. Later, after being taken prisoner by the Russians, he became a teacher in the Central Anti-Fascist School, set up by the Russians to indoctrinate German prisoners of war.

After his return to Germany, he became chief inspector and chief of staff of the paramilitary People's Police units, the forerunner of the East German Army. He is said to have organized the East German Air Force and, in 1956, became its first chief of staff, with the rank of major general. He retired three years ago.

In May, the French government expelled two East German diplomats accused of spying on France's oil affairs, including plans for stocking and transport of petroleum. The diplomats were not identified. Two Soviet diplomats were expelled in separate incidents in February after being accused of espionage.

Gesturing to a roaring McDonnell Douglas F-15 Eagle maneuvering overhead during the show, a senior French aerospace official put it bluntly: "We Europeans may have our new joint Tornado fighter, but nothing comes close to the technological leadership of the United States."

Roughly 100 Swedish and U.S. engineers from the two companies have worked together since January, sharing design and development tasks at Fairchild's facilities on Long Island, N.Y., and Saab's at Linköping, Sweden.

Reaffirms Moscow Ties

Says Party Must Regain Faith of Polish Workers

By John Danton

WARSAW, Sept. 7 (NYT) — The new Communist Party leader of Poland, Stanislaw Kania, promised yesterday that the party will honor the agreement it made last week with striking workers, but warned against "anti-Socialist elements" seeking to turn the country's troubles "to their own purposes." Mr. Kania, 53, a Politburo member who had been in charge of the army and the police, replaced Edward Giersek as first secretary of the party early yesterday.

An announcement at 1:30 a.m. by the official press agency, PAP, attributed the change in leadership to the "serious illness" of Mr. Giersek, who has ruled the country since December, 1970. Friday night, the government said Mr. Giersek had been admitted to a hospital with a heart ailment.

The speech by Mr. Kania legitimized the series of strikes that brought down his predecessor as "a protest not against the principles of Socialism but against the mistakes of the party."

At the same time, he pledged that Poland would "strengthen our position in the Warsaw Treaty," the Soviet-led military and economic bloc; overcome the "difficulties" our party has had in its everyday activities; and seek a return to "calm and work."

These assertions were seen as attempts to soothe anxieties in the Soviet Union about the country's new, liberal turn. "Our alliance with the Soviet Union has paramount importance for the security and economic wealth of the country," he said.

The leadership change was decided upon at a special meeting of the party's Central Committee at its headquarters here.

Its most significant aspect was in the pledge to uphold the Gdansk agreement. Mr. Kania said, "We shall take care that all these agreements be implemented. We shall reach to the sources of tension, but we have to fight not only to regain confidence; we will have to fight against anti-Socialist elements because our opponent tries to use this crisis for his own purposes."

The new leader acknowledged that the Communist Party, with a membership of 3 million, had partly lost the confidence of the people. In a statement of self-criticism rarely heard in the Soviet bloc, Mr. Kania said the crisis was caused by "serious economic mistakes."

Mr. Kania also obviously sought to broaden the party base in order to reach the country's 3 million private farmers, who produce 72 percent of its agricultural products. He said farmers should be guaranteed the ownership of the land.

Admitting that the workers and the party had grown far apart, he ended his address by saying: "I am deeply convinced that after the (Continued on Page 2, Col. 7)

France Charges E. German, Air Force Ex-Chief, as Spy

PARIS, Sept. 7 (AP) — The retired East German Air Force chief of staff has been imprisoned in France and charged with espionage following the discovery of military documents in his possession last month, officials said yesterday.

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U.S., European Aerospace Companies Linking Up

By Axel Krause

FARNBOROUGH, England (IHT) — For national security and business reasons, the United States hardly ever buys sophisticated military equipment from outsiders — the Pentagon's ordering Western European jets seems particularly far-fetched, for example.

Yet that very real prospect — and others in the aerospace field — are emerging in what is being viewed as a fledgling transatlantic partnership.

Lockheed-California provided an example during the Farnborough Air Show, which was held here this past week. The U.S. aerospace company said that it was teaming up with France's Dassault-Breguet and West Germany's Dornier to enter the U.S. Navy's current competition aimed at selecting an advanced jet trainer known the VTX-TS, which will replace thousands of existing trainers in the late 1980s and 1990s.

The French-German candidate is the twin-engine Alpha jet built jointly by the two companies. Since its first flight three years ago, roughly 500 have been bought for use mainly by air forces in eight countries, including West Germany's Luftwaffe.

Starting tomorrow, a demonstration model bearing U.S. Navy markings will make the rounds of air bases throughout the United States, including those of the U.S. Air Force, whose planners also are looking at the plane.

Saving for Taxpayers
"If we win the competition, we could wind up building over a thousand Alphas under license from the Europeans ... Given their lower operating costs, ... we can save U.S. taxpayers around \$600 million," said a senior company executive.

Lockheed's move is only a current example of how U.S. industry is responding to fast-moving, increasingly sophisticated competitors within the European Economic Community, but it is not the only one. McDonnell Douglas, in a move similar to Lockheed's, said it was teaming up with British Aerospace to offer Britain's Hawk multi-purpose, ground attack and trainer jet in the competition.

Higher Development Costs Influenced Carter Shift
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"Common Market companies like Dassault and British Aerospace have come a long way and, given the mounting costs involved, we are joining them in certain ventures, like the new trainer," a company executive said.

Moreover, the Carter administration is backing these ventures, reflecting not only the growing concern in Washington over soaring costs, but a realization that EEC-based aerospace in-

dustries can help in developing new weapons systems without jeopardizing U.S. national security interests.

There are only a few precedents. The U.S. Army several years ago purchased the French-German Roland surface-to-air missile and the U.S. Marine Corps has purchased over 100 British Aerospace-built Harrier fighter planes, which are presently in service. "We want to look at all the possibilities," said a senior U.S. military official attending the Farnborough show, which is held every two years.

Competition Continues
"What we see emerging are the first signs of a new transatlantic partnership in aerospace," said a senior French aerospace official. He quickly added, "Of course, we will continue to compete against the Americans around the world, notably with our Dassault fighter planes and the European Airbus, but this is definitely new and, if materializes, worth pursuing."

Other signs that the Carter administration is easing its long-established, hazy-American stance emerged during the air show, a traditional gathering point of the Western world's aerospace industry. They included the following:

U.S. Air Force Secretary Hans Mark told newsmen last Tuesday that he is interested in pursuing possible collaboration with the Royal Air Force in developing advanced technology for the future. He specifically mentioned vertical takeoff and landing technology, known as VTOL, which enables the Harrier to take off from a rooftop.

To date, no one outside of the Soviet Union has developed this technology successfully, although Dassault and West Germany's largest aerospace company, Messerschmitt-Boelkow-Blohm, have tested it over the years.

"We are looking for things we need ... VTOL might be a contender for the next generation of tactical fighters," Mr. Mark said following talks with top officials in Britain's Defense Ministry. He also indicated that non-U.S. technology might well be evaluated and incorporated into new transport planes, light helicopters and weapons systems currently being studied or developed on both sides of the Atlantic — many still shrouded in secrecy.

At least two leading U.S. aerospace companies, Northrup and McDonnell Douglas, confirmed that they are holding exploratory talks with EEC-based companies aimed at joint advanced fighter projects. "The work going on cannot be talked about very openly, but there are alternatives in the EEC to simply buying American planes,"

said an executive for one of the companies.

Given the enormous costs and the quality of the technology available over here, we are going in a new direction — more collaboration between Europe and the United States," said another U.S. aerospace executive.

Thanks largely to airline deregulation in the United States, West European companies are also teaming up with U.S. partners to tap the fast-growing commuter airline field, both in the United States and elsewhere, including EEC countries.

Last Sunday, for example, Sweden's Saab-Scania and Fairchild Industries of the United States announced completion of preparatory work for development of a 34-passenger airliner, and on Oct. 17 they plan to sign the first contract for the sale of 10 planes to Crossair, a small Zurich-based air taxi company.

"But this is only a beginning, since we are talking to U.S. companies as well," said Alan Buley, who heads the jointly owned, Paris-based affiliate directing the venture.

Roughly 100 Swedish and U.S. engineers from the two companies have worked together since January, sharing design and development tasks at Fairchild's facilities on Long Island, N.Y., and Saab's at Linköping, Sweden.

Meanwhile, the Dutch aerospace company Fokker has confirmed that it is negotiating with Boeing to possibly combine their technology in a Japanese project aimed at building a 140-to-150-passenger jet for Japan's fast-growing domestic market. Fokker's offering is the F-29, a 138-passenger, twin-engine plane now under development, whose maiden flight is scheduled for 1983, a company official said.

"Things are still up in the air, but we are pursuing the venture with Boeing and the Japanese," the official said, adding that if adopted, it would be the first project of its kind in aerospace history.

Predominant Position
To be sure, the United States has no intention of relinquishing its predominant position in the Western world's civilian and military aerospace fields — if for no other reason than its exports. Last year, U.S. industry sold an estimated \$12 billion worth of planes, related equipment and other parts outside the United States, making these exports second in value only to farm products.

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Key Link in 'European' Detente Broken With Gierek's Ouster

By John Vinocur

WARSAW, Sept. 7 (NYT) — The departure of Edward Gierek as Poland's Communist Party chief was interpreted here yesterday as meaning the loss of a key figure in the European network of detente that West Germany and France have attempted to maintain outside the antagonisms between the superpowers.

Both Western diplomats and Polish commentators said that Mr. Gierek's replacement, Stanislaw Kania, would be unable to take over the ousted leader's international role quickly. As a man without international experience and overwhelmed by domestic problems, he might lead his country into a rather more passive diplomatic posture, they suggested.

Combined with the announcement Friday that the East German Communist Party chief, Erich Honecker, was now unwilling to meet with Chancellor Helmut Schmidt of West Germany until the second half of 1981, it was suggested that Mr. Gierek's removal could be the signal for the start of

a period when the East and West power blocs each move toward greater internal alignment and unity.

Both Mr. Schmidt and President Valéry Giscard d'Estaing of France clearly acknowledged their high regard for Mr. Gierek and, to a degree, considered him as "their

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Eastern connection," one Western diplomat said.

The Polish troubles directly resulted last month in the cancellations of meetings between Mr. Gierek and Mr. Schmidt, and then, a week later, between the West German leader and Mr. Honecker. The apparent purpose of the meetings was to create momentum for detente among European countries, and a strong enough superstructure of contracts, continuing exchanges and commercial relations to withstand, at a distance from the superpowers, any further worsening in relations between the

United States and the Soviet Union.

An indication of how difficult maintaining such contacts could become was apparent in the cancellation on Friday, before Gierek's downfall, of a visit to Poland by a delegation from the British Trades Union Congress.

Commenting on the international effects of Mr. Gierek's departure, a Polish information official and member of the Communist Party said, "Many Poles rather liked the role that Mr. Gierek had brought us, and thought, regardless of how they judged the internal situation, that he had done a good job in trying to limit world tensions. But I don't know how much leeway we'll have now."

The official told of being fascinated by news reports from West Germany in which Social Democrats such as Mr. Schmidt or Willy Brandt, the party chairman, were citing similar U.S. policy as a justification for their government's reluctance to comment on the Polish situation and in support of West Germany's bank loans to Poland.

"When the Germans talk that way," he said, "maybe it's a sign of the Germans moving closer to the big brother. I mean the United States. It's very possible that this will happen here. I mean moving towards the Soviet Union. In fact, it's more than possible."

Mr. Gierek's role as an international statesman had developed substantially over the past five years, to the extent that some Poles even said he seemed to have become bored with domestic questions.

A diplomat described Mr. Gierek as a man who felt comfortable with Westerners, and rated him as the Eastern European statesman with the best instinctive feel for Western attitudes and the operation of Western democracy. Mr. Gierek lived in France from the ages of 10 to 21, working from his teens as a miner, then moving to Belgium, where he lived from the ages of 24 to 35.

Mr. Gierek was described by a party official as an avid reader of Le Monde, the leading French daily newspaper. He spoke French well and many Poles believed that the prevalence of French pop music on the main Warsaw morning radio program was an attempt by media officials to please him.

Western visitors found Mr. Gierek a relaxed partner in conversation and a man who, within limits, was able through indirect remarks and comments to provide insight into Soviet thinking.

Mr. Gierek was not regarded as advocating a foreign policy that was opposed to Soviet aims, but instead one that had natural sympathy for those European countries, such as France and West Germany, which have felt unwilling to offer total allegiance to leadership whose wisdom they doubted. It was widely assumed, a diplomat noted, that Gierek could not approve the Afghanistan invasion, and felt it threatened the West contacts that had helped improve living standards in Poland during the first years of his decade in power.

To the extent that the same attitude was shared by France and West Germany, who were unwilling to sacrifice their substantial commercial involvement with the Soviet Union and Eastern Europe to satisfy U.S. policy, there was a relative community of interest. As long as the West was not talking to the Soviet Union, Mr. Gierek felt endangered, the diplomat said, and it was he who was given credit for bringing together Mr. Giscard d'Estaing and Leonid Brezhnev, the Soviet leader.



An armored police vehicle, using a water and tear-gas mixture, tried to disperse demonstrators Saturday on Limmatquai, one of Zurich's shopping streets. More than 300 persons were arrested.

Explosives Found Under Bridge

300 Youths Arrested in Zurich Rioting

ZURICH, Sept. 7 (Reuters) — More than 300 persons were arrested as rioting by youths hit Switzerland's largest city this weekend, police said today.

Hundreds of police used tear-gas, water-cannon and rubber bullets yesterday to halt a crowd of 2,000 demonstrators, apparently converging on the central railway station.

A police spokesman said that the presence of so many police had prevented the damage and looting from being as bad as it had been in previous riots. Unrest in recent months has left areas of this city in shambles.

Soviet Media 'Aggressive'

(Continued from Page 1)

\$675 million) that the banks granted Poland on Aug. 12.

He again urged the greatest possible restraint by members of his government and by other leading West German politicians in their comments about the internal affairs of other countries.

Mr. Schmidt also said: "It must not be forgotten, however, that the developments now concluded in Poland... all move along the general line of what was negotiated in Helsinki." He emphasized the importance of discussing with the Soviet Union all aspects of the 1975 Helsinki accords at the coming Madrid follow-up conference on security and cooperation in Europe, and of not concentrating merely on security.

"That would be an unpermissible narrowing-down of the intentions jointly signed in Helsinki, which we would under no circumstances agree to," the radio quoted Mr. Schmidt as saying. "But I must emphasize, however, that, naturally, the European security subjects must also play an important part in Madrid."

Irish Police Discover Smuggled Explosives

MUFF, Ireland, Sept. 7 (AP) — Police seized 1½ tons of explosives being smuggled into Northern Ireland by Irish Republican Army guerrillas early today, authorities reported.

The explosives were found hidden under hay on a trailer attached to a car stopped at a security road block outside this County Donegal village (four miles from Londonderry, police said three men fled the checkpoint after pulling guns and smashing the officers' car radio. One was found and arrested later.

3 Ukrainians Get Death Sentences

MOSCOW, Sept. 7 (AP) — Three Ukrainians have been sentenced to death after being convicted of participating in Nazi massacres during World War II, a Ukrainian newspaper has reported.

Pravda, the organ of the Ukrainian Communist Party, said in an issue that reached Moscow yesterday that the three had been members of a Ukrainian nationalist organization that collaborated with Nazi occupation forces.

The three were accused of participating in the massacre of 3,000 Jews in a single day, and of killing a group of Gypsy women and children. Pravda's Ukraine said. The paper said one of the men also was accused of supervising the execution of 400 Jews in the village of Krymoo, allegedly killing 100 of them himself.

The Soviet Union continued its campaign of vague threats and criticism directed at the promise to allow free trade unions to Poland.

The Soviet Communist Party newspaper, Pravda, yesterday accused President Carter of encouraging Western funding to "anti-government" forces in the Polish port city of Gdansk. Pravda said Mr. Carter did so in a meeting with AFL-CIO President Lane Kirkland and UAW President Douglas Fraser in late August.

A large sum of money was sent to Gdansk to support those forces that stood on anti-government positions," said the paper in a commentary.

Another criticism on this issue was seen in studied omissions of all references about the role of new trade unions in Poland that were contained in Mr. Pinkowski's speech Friday, which was otherwise extensively carried here.

Sympathy for Gierek

MOSCOW, Sept. 7 (NYT) — Mr. Brezhnev and his colleagues in the Soviet leadership have sent a message to former Polish Communist Party First Secretary Edward Gierek, expressing sympathy for his illness and wishing him a quick recovery, Tass said today. Tass, in a four-line report, said the message was conveyed through the Soviet ambassador to Poland.

According to a spokesman for the dissident Self-Defense Committee (KOR), workers in Bialystok, Elk and Suwalki were on strike, apparently insisting on written government guarantees that agreements concluded with workers elsewhere applied to them. Reuters reported today. The spokesman said most of the work force in Bialystok was on strike, but there were no details on numbers.

Negotiating Role

In analyzing the party changes, Western diplomats and Polish sources pointed out that the new party leadership is dominated by officials who negotiated the landmark agreement on the Baltic coast.

Mr. Kania played an early but critical role in the Gdansk negotiations, sources said. He went to Gdansk to meet with local party officials, who generally favored action to break the strike, and convinced them that only political means could be used to end the crisis. At the same time, his Politburo responsibilities of overseeing the police, army and internal security made him acceptable to the Soviet Union, sources said. Analysts also pointed out that

WORLD NEWS BRIEF

Hua Asks Parliament to Accept Resignation

PEKING, Sept. 7 (Reuters) — Premier Hua Guofeng's People's Congress today to accept his resignation of office and to approve the nomination of Zhao Ziyang, 61, head of government.

Mr. Hua, 59, who will remain Communist Party chairman the congress, China's nominal legislature, to approve the seven deputy premiers — including senior deputy Deng Xiaoping — in a move to bring younger men into top posts and to separate state power. Mr. Deng and two other resigning deputies influential posts as party vice chairmen.

The premier said he spoke on behalf of the party Central Committee which approved the proposals earlier. The congress will approve the recommendations at its closing plenary meeting after a 12-day session.

Mr. Hua reaffirmed China's foreign policy, with an at involvement in Afghanistan and Vietnam's involvement. The attack prompted a walkout by the Soviet charge d'affaires at East European representatives. The premier also announced government was drafting new 5- and 10-year economic plans.

El Salvador Extends State of Siege

SAN SALVADOR, Sept. 7 (UPI) — In the midst of armed forces El Salvador's ruling junta yesterday announced extension of the state of siege in effect since March.

The nation's top military command, in an urgent meeting members of the junta, agreed that the U.S.-backed government be restructured, sources said yesterday. The agreement by and civilian members of the five-man junta is aimed at meeting split in the officer corps, observers said.

At issue is an "order of battle," the monthly list of arm transfers and command changes which all but stripped a member Col. Adolfo Majano and his supporters of any role. Majano was the leader of the Oct. 15, 1979 coup that over President Carlos Humberto Romero.

Sweden Votes to Raise VAT to 23.46

STOCKHOLM, Sept. 7 (AP) — The Parliament voted to increase Sweden's value added tax by 2.35 per cent to a percent, the highest rate in Europe.

The vote of 173-172 reflected the one-seat majority of three-party coalition. The Socialist opposition used the session — the first such session since 1951 — to launch a bid what it said was the government inability to govern.

"The strongholds of Granada still stand, but inside Granada plague," Social Democratic Party leader Olof Palme said account of the siege of Granada in 1521. Mr. Palme called it. A new election would lead to political paralysis. Thorbjorn Fälldin answered.

Policeman, 2 Others Killed in Basque

SAN SEBASTIAN, Spain, Sept. 7 (AP) — Three men, police captain, were shot to death in the Basque region as being questioned in Madrid about a general's murder, said, ill and died, police said today.

The bodies of two 32-year-old tradesmen, each shot twice were found today in the Basque town of Hernani and police suspected that both were slain by terrorists last night. Nea provincial capital of Victoria, a gunman, believed to be a Basque, shot to death a national police captain. It was the second political violence in nine days.

Madrid police said a suspected member of the leftist GRAPO, whom they were questioning in connection with Sept. 2 slaying of Gen. Enrique Briz Armengol in Barcelona, and died yesterday. Police ordered an autopsy. The news agency Press said the prisoner, Jose Expansa Viva, showed no signs of injuries.

Polish Leader Promises To Honor Workers' P

(Continued from Page 1)

implementation of all these principles, the workers shall again say, "Our Party."

The most significant advances won by the strikers in their negotiations with the government are the rights to strike and to form independent self-governing trade unions. Mr. Kania did not refer to these gains directly, but he clearly included them in his commitment to honor all the agreements made by the government.

Medical Bulletin

On Friday, a medical bulletin, in which five physicians described Mr. Gierek's ailment as "serious disturbances in the action of the heart," was read at a special session of parliament. The announcement came after nine hours of speeches criticizing the government and the party.

A six-member medical panel has confirmed that Mr. Gierek suffered a heart attack Friday on the eve of his removal from power, the Associated Press reported. A statement issued last yesterday by doctors treating the 67-year-old Gierek said his condition was satisfactory.

[Previous medical bulletins said only that Mr. Gierek experienced "serious irregularities" in his heart.]

Mr. Gierek has not been seen in public since he went on television Aug. 24 to say that a "new direction" had been decided upon in dealing with the crippling strikes that had begun in the Baltic industrial region 10 days earlier and to announce a leadership shakeup that included the replacement of Premier Edward Babich with Jozef Pinkowski.

Mr. Pinkowski conceded at the parliament session that strikes were continuing in scattered parts of the country, despite the settlements with the Baltic region workers and the coal miners.

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Nuclear Conferen

(Continued from Page 1)

gostolavia, this group argues, United States, the Soviet Union and Britain, the only signatories allowed to use weapons, have broken promises to reduce their arsenals.

The developing conference demanded the nuclear powers also demanded that the States and the Soviet Union a binding agreement to oblige SALT-2 arms limitation until it is ratified by the state, agree to a moratorium nuclear testing, and accept clear conditions to their negotiations on a test ban treaty.

Although the United States and the Soviet Union and their allies were prepared to make concessions in these areas, developing world, they were prepared to accept their full. But the developing world refused to compromise the conference broke down.

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To Improve Readiness

Army Discloses Extensive Reforms

By Richard Halloran

WASHINGTON, Sept. 7 (NYT) — The chief of staff, Gen. Meyer, has announced a series of reforms to improve the combat units stationed within States.

The reforms include the reassignment of 6,000 sergeants from 900 more from South to United States.

Gen. Meyer called the changes a master plan intended to build back into the Army some of the intangibles essential to readiness.

Critics of the Army in recent years have asserted that it lacked spirit and was seen by many of today's soldiers as a job rather than a calling.

He added that the changes would not be expensive. Gen. Meyer said some would require new funds while others would save money.

He did not give a total figure, but he implied that the project would not require additional funds.

The Army keeps its five divisions in Europe and other forces here at about 102 percent of authorized strength, while the division and forces in South Korea are at 103 percent.

Gen. Meyer said those forces would be cut to 100 percent of authorized manning to provide more experienced training sergeants at home.

He said that U.S. allies had not been consulted about the shift. Other officers said later that this was not necessary because U.S. commitments abroad would not be weakened.

Gen. Meyer also said that in the long run these commitments would be strengthened because of better training and greater stability in Army life.

He said that basic training, now eight weeks long, would be extended to nine weeks and that the training day would be extended to give the recruit about 95 hours more of military instruction.

Gen. Meyer said the new program would require more time for drills and ceremonies. For years, the Army taught that marching a soldier around instilled basic discipline, but that theory had recently fallen out of favor.

Gen. Meyer said that more experienced captains, rather than lieutenants, would be assigned to training companies as would more senior sergeants, presumably including some of those returning from overseas. Headquarters units here will also be reduced to get more leaders into the field.

An important change that has already started, the general said, was that battalion and brigade commanders, the senior field grade officers, would be assigned for two to three years as commanders so that they can work better with units and take responsibility for them. Commands today run about a year.

Fire Controlled
SPRINGS, Calif., Sept. 7 — A raging 28,655-acre fire in Jacinto brush fire was to be fully under control by a U.S. Forest Service man said. The fire, which raged 26, was 85 percent controlled by this morning.

ader P
Work

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U.S. soldiers from Fort Hood, Texas, arriving last Friday at Ramstein U.S. Air Base in West Germany to take part in Autumn Forge, NATO's annual war exercises, being held this month.

Athens May Close Facilities if NATO Bid Fails

Future of U.S. Bases in Greece in Doubt

By Nicholas Gage

SUDA, Crete (NYT) — The long, deep harbor outside this town on the northwest coast of Crete has an anchorage almost large enough to accommodate the entire U.S. Sixth Fleet.

The area around the harbor holds a complex of installations that forms one of the most important American military bases in the Mediterranean.

But if a new effort to bring Greece back into the military arm of the North Atlantic Treaty Organization fails, the United States is in danger of losing its Suda Bay facilities, as well as other military bases in Greece.

The Suda Bay base is a major support center for the U.S. Navy as well as other NATO forces. The American air station at Heraklion, also called Candia, on the north-central coast of Crete serves as the communications center for all of the Middle East, North Africa and the eastern Mediterranean, and includes an electronic listening post to monitor Soviet activities in the Mediterranean.

Hellenikon, the military aircraft command base in Athens, supports installations throughout the Middle East and had a key role in the evacuation of Americans from Iran. Near Makri, near Marathon Bay, northeast of Athens, is a major naval communications center with an electronic net that monitors all ships in the Aegean. There

are also five NATO early-warning sites in northern Greece following the military activities of the Russians and the Warsaw Pact nations.

All these strategic installations will be threatened if a new effort being prepared by Gen. Bernard Rogers, the commander of NATO forces in Europe, does not remove the obstacles blocking the re-entry of Greece into NATO's military wing, which it left in 1974 in protest over the Turkish invasion of Cyprus.

Four previous efforts, including three by Gen. Rogers' predecessor, Gen. Alexander Haig Jr., failed because Greece wanted to return on its original terms. But its archival, Turkey, like every other NATO member, has veto power over Greece's re-entry and insists on assuming defense responsibility over parts of the Aegean previously allocated to Greece.

The urgency of finding a solution to Greece's re-entry was increased when Athens officials said recently that they would close the American bases if Greece was not soon allowed back into NATO's military wing on acceptable terms. The problem is especially serious because of the increasing prospect that Greece's opposition party, the Panhellenic Socialist Movement, could come to power in elections scheduled next year. A major

plank of the opposition's foreign policy platform is the elimination of American bases in Greece.

The American installations are closely tied to bases in Turkey and Italy. Heraklion is a relay station for all intelligence gathered in Turkey and a major intercept center where all coded radio communications in the area are taped and transmitted to the National Security Agency center in Maryland.

It is also at Heraklion that the manifests of airline flights throughout the Middle East, the eastern Mediterranean and North Africa are intercepted as they are telexed by the airlines. Heraklion also supports air reconnaissance flights and air tanker refueling operations of American military forces, and the electronic surveillance station there monitors military activities of the Soviet Union in the eastern Mediterranean.

Suda Bay Complex
The Suda Bay complex would be the most difficult loss to replace, because in addition to its harbor and its role as a supply center housing fuel and ammunition for the U.S. Navy and NATO members, it includes an airfield that is used for staging military reconnaissance operations. Nearby, at Nafpli, is the NATO missile-firing range where military training and testing exercises are conducted.

From Suda Bay the movements of ships and submarines in the Mediterranean are monitored by naval aircraft. The natural strategic strength of the harbor is equaled nowhere in the Mediterranean.

Nea Makri is a major link between military communication complexes in Italy and Spain for the U.S. defense communications center is focused northward, monitoring the Balkans, and it includes an electronic net that follows the movement of all ships in the area.

The Kato Souli terminal, seven miles (11 kilometers) northwest of Nea Makri, is linked with the U.S. Sixth Fleet afloat and with terminals in Naples and Spain. The Mount Patras terminal, about 20 miles (32 kilometers) west of Athens, connects Greece with a terminal near Izmir, Turkey, on the Turkish west-coast coast, and with the Mount Eghedi terminal in northeast Crete and the Levkas Island terminal in the Ionian Sea, which is itself a connecting point to a terminal in southern Italy.

The Hellenikon Air Base, near the Athens airport, is used as a headquarters and support installation for other Air Force facilities in Greece. It serves as a staging point for air transport operations and as a support base for the U.S. military airlift command.

Norway Backs U.S. Pre-Stocking
OSLO, Sept. 7 (UPI) — Defense Chief Gen. Sverre Hamre said yesterday that pre-stocking U.S. heavy military equipment in central Norway was acceptable, despite U.S. preference for putting weapons further north near where troops would be deployed.

Mr. Hamre's statement was the latest in a long debate within the Norwegian ruling Labor Party on pre-stocking equipment to outfit a U.S. Marine brigade in the event of war. The government has been asked by the United States, which will pay for the equipment, to decide this fall where it will be located, so it can be included in next year's budget.

Caramanlis Ends Visit
VIENNA, Sept. 7 (Reuters) — Greek President Constantine Caramanlis left Bucharest yesterday after a four-day visit.

Gromyko, Muskie Said To Set Talks

Meeting Is Planned On Arms Reductions

By Bernard Gwertzman

WASHINGTON, Sept. 7 (NYT) — Secretary of State Edmund Muskie will open discussions with Soviet Foreign Minister Andrei Gromyko later this month on reducing U.S. and Soviet medium-range nuclear forces in Europe, administration officials say.

They said Friday that the Muskie-Gromyko meeting in New York on Sept. 25 is expected to lay the groundwork for more detailed talks that the United States hopes could begin sometime in mid-October, before the November elections.

Spurgeon Kenny Jr., deputy director of the Arms Control and Disarmament Agency, probably will head the American delegation at the formal round, which could be held in Geneva or some other neutral site, officials said.

While in New York for the United Nations General Assembly session, Mr. Muskie also will confer Sept. 24 with Poland's new foreign minister, Jozef Cyrankiewicz, for the first high-level review of relations since the changes in Poland.

Mr. Muskie would like to be able to discuss with Mr. Cyrankiewicz the United States' help Poland out of its economic crisis. A delegation of Polish bankers is now in Washington discussing Poland's request for \$675 million in agricultural credit guarantees for the fiscal year that begins Oct. 1, an increase over the \$550 million this year.

The United States is sympathetic to the request and in fact might even offer more than Poland asked, State Department officials said.

European Talks
While in New York, Mr. Muskie will also discuss the Polish situation with Western foreign ministers to see what Europeans and others might be willing to offer Poland in additional credits and other help.

The decision to begin talks with the Russians on the medium-range nuclear forces was made by the administration last week after preliminary soundings with allied leaders. A meeting of allied specialists is scheduled in Brussels next Monday and Tuesday to discuss specific negotiating positions that might be taken in the talks with the Soviet Union.

Last December, when the North Atlantic Treaty Organization decided to proceed with plans to deploy 572 new missiles in Western Europe starting in 1983, it also offered to begin talks with the Russians on limiting missiles based on the continent. The Soviet Union is currently deploying about 200 SS-20 mobile missiles, which can carry three warheads each.

But at that time, the Soviet Union rejected any talks unless NATO first abandoned plans for deploying the new weapons. This position changed this summer, however, when Leonid Brezhnev, the Soviet leader, dropped the previous position and agreed to hold preliminary discussions on missile limitation, along with limits on U.S. nuclear-armed aircraft in Europe.

Anderson Backed By Party Leaders Of N.Y. Liberals

NEW YORK, Sept. 7 (LAT) — Independent presidential candidate John Anderson, as expected, won the overwhelming endorsement of leaders of New York state's Liberal Party yesterday, a party yesterday gaining support that could have a major impact on New York's 41 electoral votes and President Carter's chances here in the presidential election in November.

Carter forces fear that the president's failure to win Liberal Party backing could siphon enough votes away from the president to throw the state, usually crucial to a Democratic presidential candidate, to Republican Ronald Reagan.

Thirty-two of the 36 committee members voted to recommend the endorsement of Rep. Anderson and his running mate, Patrick Lucey, to the full party, a virtual guarantee that the 300-member state committee convention here next week will support the ticket.



Ronald Reagan, left, strolls with Henry Kissinger at the Republican presidential candidate's rented estate in Virginia.

Reagan's 'Stealth' Charge Supported by Kissinger

By Douglas E. Kneeland

MIDDLEBURG, Va., Sept. 7 — Ronald Reagan's statement that the Carter administration should not have disclosed information about the "Stealth" bomber project has won the support of former Secretary of State Henry Kissinger.

After a two-hour meeting with the Republican presidential nominee here on Friday, Mr. Kissinger told reporters that he had been aware of the secret project, aimed at developing aircraft that can evade radar detection, while serving in the Cabinet under President Ford.

Mr. Kissinger, who had been invited to have lunch at Mr. Reagan's rented country estate here, stopped short of Mr. Reagan's charges that for political reasons, Defense Secretary Harold Brown had "breached one of this nation's most closely held military secrets" and President Carter had been guilty of "a cynical misuse of power and a clear abuse of the public trust."

Mr. Reagan made the comments Thursday while campaigning in Florida and Louisiana.

More Diplomatic
Pleading ignorance of the "technical" aspects of the research, the former secretary of state couched his answers to reporters' questions in more diplomatic terms, but appeared to suggest the same thing as Mr. Reagan.

"When I was in office it was considered that this was one of the most sensitive secrets that we had, and that it should be preserved with special precautions," he said. "We never leaked it. It was kept for two years of the Ford administration."

Mr. Kissinger was asked whether he thought the Carter administration had disclosed the existence of the aircraft project for political reasons.

"I can only note the coincidence between the time and the political campaign," he answered.

After Mr. Kissinger's news conference, Lyn Nofziger, Mr. Reagan's principal spokesman, was asked to comment on a complaint made Friday by Jody Powell, the White House press secretary, that Mr. Reagan's charges beyond the bounds of fair play.

"Once again they are just trying to change the subject, and the fact is he has not been a good president, and we are going to keep telling the people that," Mr. Nofziger said.

No Questions
In apparent keeping with his determination to keep from being put on the defensive by responding to charges or countercharges, Mr. Reagan, who spent two days here off the campaign trail, did not submit to questions by reporters.

Campaign aides made clear their belief that after a rocky start last week, when he got into a verbal imbroglio over his jibe at Mr. Carter for opening his campaign in Tusculum, Ala., the site of a Ku Klux Klan headquarters, Mr. Reagan had scored well with his attacks on Mr. Carter's conduct of relations with Israel and on disclosure of the Stealth project.

So, while Secretary Brown was responding to the latest Reagan charge on behalf of the president, four Reagan surrogates, all retired high-ranking military officers, held a news conference in Washington to declare that they considered the Stealth project disclosures a flagrant breach of security.

"What this does is give the Soviets an opportunity to counter the American technology," said Adm. Thomas Moorer, a former chairman of the Joint Chiefs of Staff.

Joining Adm. Moorer in his criticism were Lt. Gen. Daniel Graham, former head of the Defense Intelligence Agency; Lt. Gen. Richard Stilwell, a longtime intelligence officer and former commander of U.S. troops in South Korea; and Lt. Gen. Edward Rowley, former top military negotiator for the United States at the arms talks with the Soviet Union. All three are Reagan advisers.

Brown Accuses Reagan
WASHINGTON, Sept. 7 (NYT) — Defense Secretary Harold Brown has accused Ronald Reagan of making a "reckless and unwarranted" personal attack on him in a speech Thursday in Jacksonville, Fla., in which Mr. Reagan accused him of breaching national security "in a transparent effort to divert attention from the administration's dismal defense record."

Mr. Brown called the speech "a combination of factual errors and gross distortions."

At a press conference Friday, Mr. Brown said angrily that, "as a scientist, I am offended by Governor Reagan's cavalier attitude toward the facts; as a public official, I am indignant at his reckless distortions."

Mr. Brown said that recent public references to the Stealth aircraft project had made him fearful that vital information might be disclosed, and for that reason he held a news conference in an attempt to set new guidelines that would prevent the disclosure of further information. He said he knew there would be "political overtones" to his announcement but denied that it had been politically motivated.

The defense secretary also said that "nothing we have said has given the Soviets any countermeasure advantage." Mr. Reagan had charged that Mr. Brown's announcement had given the Soviet Union a 10-year head start on developing ways to counteract the Stealth technology.

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BUSINESS/FINANCE

and Dealers Wary
Flux in Interest

By Carl Gewirtz

Sept. 7 (IHT) — Short-term interest rates inched up last week, fueling a flurry in bond prices in the market as well as in New York. The firm undertone of the market remained on the side.

was rewarded late Friday in New York by a half-point increase in the rate to 12 percent add-on.

caution that the dizzy short-term rates are continuing — the natural result of the Federal Reserve's policy of concentrating

growth of the money supply and interest rates to be a note of this. As a result, the wide week-to-week which sow confusion and

same bankers advise that to not pay attention to the week drift, but better to know where rates are

Longer Term
people who are making now are those who have their mind where we're the longer term and don't

few is that the market is for evidence to turn bull — so far this is lacking. The

se in the leading economic and the decline in the current rate cause some

about whether the recession and a rapid recovery may. There is also great un-

ay about how firm a grip gloom can get over spiraling

is some reason to believe rates may continue to rise. The growth of the U.S. supply is likely to slow

at the end of this year, the seasonal factors as well as economic activity. But

is not likely to be much in long-term rates, and bankers expect to see these below 12 percent.

se meantime, the market for bonds is drifting. The only

business announced last week — five-year private placement — million for Sweden. Man-

aged say only that it will be to yield about 12 1/2 percent, and left open how this will be

at in terms of coupon and

1 1/2% Commission
paper is intended for institutional investors, as the minimum

ation is \$25,000. The 10 is reportedly will earn a

of 14 percent. Of this, 11 is given away. 14 percent to the other banks that have

to help market the paper. However, all the banks have

to not give up more than a point of this commission called "allowance" to big

market practice has seen give up the attempt to dic-

size of the allowance, a tion that the entire commission given up just to get rid

Jacobs, a large consumer credit company. About a third of the issue has been preplaced, bankers close to the deal report, and not all of it in the Middle East. The coupon remains to be set, 7 1/2 percent at the least, perhaps 7 3/4 percent. The shares on Friday traded at 480 yen, some 200 yen below the record high set in May.

Signing Delayed
Fuqua Industries managed to complete its \$50-million, seven-year floating rate note with the coupon set at 7 1/2 percent over Libor.

The signing was delayed a week after two co-managers — Algemeine Bank Nederland and Banque Nationale de Paris — withdrew reportedly over dissatisfaction with the information provided by the Atlanta-based manufacturing and services company about its prospects.

The Deutsche mark sector was unusually volatile last week, the victim of a sharp increase in short-

(Continued on Page 9, Col. 1)



Robert Anderson

Arco's Anderson: Oil-Bred Gentry

By Ann Crittenden

ROSSELL, N.M. (NYT) — The Beechcraft Queenair skimmed over the desolate badlands and dried salt lakes of southeastern New Mexico. About one hour out of Albuquerque the plane lifted over a ridge of sun-charred hills and suddenly sank into the green Hondo Valley, a ribbon of irrigated oasis surrounded by desert.

At the edge of a small private landing strip a chauffeur stood beside a Lincoln Continental, waiting to whisk a visitor to the main house of the 150,000-acre Circle Diamond cattle ranch. Back at the ranch, the lord of this fiefdom was pacing impatiently on the veranda. Time is important to the chairman of the 12th-largest U.S. company, especially when he also happens to be the largest individual landowner in the United States, and one of the most colorful businessmen.

Robert Anderson, 63, the head of the Atlantic Richfield Company, is an exceptional executive. He has used the fruits of entrepreneurial success in the oil business to acquire more than a million acres of ranch land in the United States and a million acres in Brazil, with David Rockefeller and a Brazilian

partner. Although the Brazilian acreage was sold last year, his 20,000 to 30,000 head of cattle and 10,000 to 12,000 sheep in the United States make him a major supplier of beef, wool and lamb.

Along the way, at one time or another, he has bought and sold a grain trading operation in Arizona; much of downtown Aspen, Colo.; uranium, sulfur, and silver

mining operations; a tire company; a bowling alley; and a chain of steakhouses in New Mexico, sold earlier this year.

He lost vast holdings of farmland in Iran with the Islamic revolution, but still in his private portfolio, among other things, is a string of eight banks in New Mexico, purchased last December.

One-Man Empire
"I'd call what he has an empire, and be owns it all himself," said his chauffeur, Henry Wagner, driving through this small New Mexico town, past the oilman's

historic home, polo field, and a local museum filled with one of the country's best Indian art collections, chosen and donated by Mr. Anderson.

The land and the oil and the enterprises have provided Mr. Anderson with a multimillion-dollar fortune. The exact amount of his annual income is unknown, for his

businesses are private, but last year his compensation from Arco alone came to more than \$12 million, including salary, bonus and incentive fees.

Even more impressive than the extent of his wealth is the way he has used it to fashion the life of a Jeffersonian aristocrat: in the center of the world of ideas, full of family, houses and horses, and art from the corners of the Earth.

When they are at home, Mr. Anderson and his wife, Barbara, who have been married 41 years, spend most of their time at the Circle Diamond cattle ranch in the Rio Hondo Valley, near their stables of thoroughbreds, Arabians, and quarterhorses. They also own a

quartern horse. They originally built the pioneer cattleman John Chisum. There is a home in Roswell, a house in Aspen, a retreat in the

desert, and a seemingly perpetual travel. Mr. Anderson estimates that he flies an average of 500 to 600 miles a day.

Cosmic Issues
Among the things Mr. Anderson most enjoys is a good discussion of what can only be called the cosmic issues. He is writing his first book, a history of the oil industry, but his chief intellectual concern is the fate of all of the world's nonrenewable resources. He said he is "very much an optimist by nature, but it takes more and more recharging as each year goes by."

Among his major worries are di-

omatic change. "We are in for a global warming trend which will be made worse by the shift to coal," he said. "It could have a terrible impact on the American grain belt." On soil erosion, he added that "about 60 percent of the world's topsoil is already eroded away." Beyond that, he expressed concern over ground water depletion. "Water tables are dropping

As serious as his intellectual pursuits may be, Mr. Anderson is still first and foremost a businessman, and as hard-voiced an oilman as any in the country. The son of a prominent Chicago banker, he began his career in the late 1930s with a friend's recall, a wide-brimmed hat and \$50,000 that enabled him to buy a small oil company in New Mexico. By 1965, after a series of skillful mergers, his operations had been acquired by Atlantic Richfield and he emerged as chairman of the parent corporation.

He estimates that, despite his personal interests, which take up about 30 percent of his working time, and his ranching activities, which consume an additional 10 percent, he still manages to spend 60 percent of his time on Arco. He commutes to the company's Los Angeles headquarters from New Mexico for the first two days of each week, and by all accounts makes all of the critical corporate decisions, with the help of Arco's president, Thornton Bradshaw.

While Mr. Anderson was at the helm, Arco has grown dramatically. Sales rose from \$1 billion in 1966 to \$3.6 billion in 1971, \$8.9 billion in 1976 and, with the help of the latest explosion of oil prices, to \$16.7 billion in 1979. Profits in those years showed an equally dramatic jump, from \$113 million in 1967 to \$199 million in 1971, \$575 million in 1976 and \$1.2 billion last year.

Arco After Anderson
Barry Good, an oil analyst with Morgan Stanley, says that Mr. Anderson, who will reach retirement age in two years, will leave the company "better prepared to face the decade of the 1980s than any company I follow."

Like other oilmen, the head of Arco is politically on the right; he accepts the label of a Burkean conservative. He works hard for the Republican Party and is actively supporting the Reagan-Bush ticket. (He believes Mr. Reagan will run an Eisenhower-style, strong Cabinet form of government, and "who'd do what Nixon and Carter did — surround themselves with a comfortable team of cronies.")

Mr. Anderson favors nuclear power, supports curbs on the growth of the federal government and more investment incentives for the oil industry. While supporting environmentalists as long as they are researching basic issues, he rails against them when they move into political action.

"Those people are so petty," he complained, describing opposition in some of Arco's projects in Alaska on the ground that they would endanger fish. "We'd give more to environmental groups, but we don't see the kinds of responsible organizations we could support."

A few years ago, Arco published a report evaluating the social impact of the company's policies, including a critique of Arco's social responsibility program, by the writer Milton Moskowitz. Mr. Moskowitz concluded that the company's "sensitivity, coupled with the enormous economic power at its disposal, makes Atlantic Richfield an interesting company to watch."

Much the same could be said of Arco's chairman.

Publishing Ventures
Mr. Anderson's most recent excursion into the intellectual realm was a commitment last month, with a Chicago foundation, to give Arco's magazine, a new men's and "who'd do what Nixon and Carter did — surround themselves with a comfortable team of cronies.")

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Danes Pin Hopes on Moller, North Sea Oil

By Frank J. Priol

COPENHAGEN, Sept. 7 (NYT) — Time was when armies saved nations and generals were honored as saviors. In Denmark, where economic disaster may be just around the bend, the nation is looking to a different kind of savior — a conglomerate known as A.P. Moller.

Moller is involved with shipbuilding, plastics, chemicals, supermarkets and engine manufacture, runs its own airline, and is best known for its shipping company, the Maersk Line. But more to the point where Denmark's future is concerned, the company holds all rights for oil and gas exploration and development in the Danish sector of the North Sea.

Denmark is in poor economic shape at the moment, thanks largely to the cost of fuel, all of which must be imported, and many Danes see the North Sea as the quickest way out of their financial bind.

Once counted among the thriftiest and best-managed of countries, Denmark is beset today with high inflation and high unemployment, a swelling social welfare budget and a staggering trade deficit.

Agonizing Appraisal
The Danes, like many other nations dependent on the Organization of Petroleum Exporting Countries, are undergoing an agonizing self-appraisal of their priorities and excesses, particularly in the energy field. But it is no secret that the country is hoping for a flood of oil and gas from the North Sea fields to wipe out the trade deficit, provide cheap gas and heating fuel and create jobs and general prosperity.

Forget it, say the people at A.P. Moller. The Danish sector of the North Sea has oil under it, but nothing like the deposits in the British and Norwegian sectors, according to Moller engineers.

Moreover, the Moller people say, their sector — 875,000 square miles — is deeper and harder to work than other oil areas. "It's the most difficult part of the ocean to explore," said a Moller official. "It's more than 120 feet deep and there are almost always high waves."

Another executive said the company expected "to begin to earn a little money from this project around 1990 — by which time we will have sunk into it some \$2 billion."

Natural Gas
Actually, they are making some money even now. For the past six years, one of their fields has been producing small quantities of oil, about 3 million barrels a year, which is providing about \$6 million annually to the government in royalties.

Also, vast quantities of natural gas have been found in a newer field and the company has negoti-

ated a deal with the Danish government to supply about 19 billion cubic feet of gas into the next century. A pipeline to distribute it is under construction and the gas should begin to flow in 1984.

The company predicts that its wells eventually will be supplying up to 13 percent of all of Denmark's fossil fuel needs at least through the end of the century or until a viable nuclear program is established. Danish opposition to nuclear power is strong, but even some supporters of the ecologists and anti-nuclear groups admit privately that nuclear energy is the long-term solution, barring the development of a new energy source.

All of which means that A.P. Moller will be at stage center for some time. Oil exploration is relatively new to Moller, but not the sea in which the search is being conducted. The company was founded in 1904 by 28-year-old Arnold Peter Moller, with his father, Capt. Peter Maersk Moller.

Their capital was one ship, a single-stack general cargo carrier called the Svendborg. There have been only two bosses in the company's history. Maersk McKinney Moller has headed the concern since his father, Arnold Peter, died in 1965.

Maersk McKinney Moller (McKinney was the maiden name of his American mother) is a shy, somewhat elusive man. "He is totally immersed in the company," an aide said. "His command of

technical details is staggering. In spite of the diversity of businesses, he seems to know what is happening in every division at any given moment."

From its modest start, the company grew into an international giant, at least in Danish terms, that includes the Maersk Line of freighters, the A.P. Moller tankers and bulk vessels, a shipyard, an airline, a supermarket chain and half a dozen other companies.

A.P. Moller signed the company's first oil exploration agreement with the Danish government in 1962. Actually, oil exploration in Denmark goes back to the '30s, when Gulf took over an old concession. It got nowhere with 18 wells and sold out to Esso, which drilled 11 wells, again to no avail.

The Moller concession, originally only for land and coastal waters, was extended to the continental shelf in 1963. The concession is good until 2012 and includes an 8.5-percent royalty fee to the Danish government. Quite a few Danes, including some high-level government officials, think 8.5 percent is not enough. "We think we should get more from them and we are working on it," said an official in the Ministry of Economic Affairs.

"We can't talk about anything that is currently under negotiation," said J.E. Carlskov Jensen, a Moller spokesman. At the same time, Moller interests made it clear that they think they are giving more than enough.

The concession belongs to (Continued on Page 9, Col. 2)

U.K. Automakers Meeting Japanese
LONDON, Sept. 7 (Reuters) — British auto manufacturers will begin negotiations in Tokyo this week aimed at convincing Japanese automakers that voluntary restraints on exports to Britain must continue.

The two-day meeting, opening Tuesday between Britain's Society of Motor Manufacturers and Traders and its counterpart, the Japanese Automobile Manufacturers Association, is one of a series. The last, in January, ended with a hint that Japan was becoming disillusioned with restraints in Britain.

Industry sources said the British industry emerged badly in August auto sales figures released last week. Although sales for the month were the second highest ever, at 232,776 vehicles, the share held by British-assembled cars slid to 36.2 percent, from 41.6 percent in August last year. Japan's share was 19.7 percent, against 13.8 percent last year.

CURRENCY RATES
Interbank exchange rates for September 8, 1980, excluding bank service charges

	U.S.	Sw.	Fr.	Yen	DM	£	Sc.	DK.	IT.
Amsterdam	1.2825	4.6010	10.15	16.70	1.3600	1.7475	1.7475	1.7475	1.7475
Brussels	1.2825	4.6010	10.15	16.70	1.3600	1.7475	1.7475	1.7475	1.7475
Frankfurt	1.2825	4.6010	10.15	16.70	1.3600	1.7475	1.7475	1.7475	1.7475
London	1.2825	4.6010	10.15	16.70	1.3600	1.7475	1.7475	1.7475	1.7475
Paris	1.2825	4.6010	10.15	16.70	1.3600	1.7475	1.7475	1.7475	1.7475
Stockholm	1.2825	4.6010	10.15	16.70	1.3600	1.7475	1.7475	1.7475	1.7475
Zurich	1.2825	4.6010	10.15	16.70	1.3600	1.7475	1.7475	1.7475	1.7475

1-4-1 Deals Increasing
Continental bankers report that such one-to-one deals are increasing sharply, and indicate that they are much more profitable for the banks than are syndicated transactions, where borrowers feel obliged to squeeze for the most favorable terms possible.

At the same time, banks are increasingly reluctant to get involved in loans not tied to the purchase of goods in their countries.

A prime example of this type of export-related loan is the package being put together by St. Generale for Brazil. A major new hydroelectric project is beginning, which will require hundreds of millions of dollars' worth of heavy machinery imports, and the Sao Paulo electricity commission, CESP, is seeking about \$450 million to finance the initial purchases.

The potential of continuing future business makes this deal attractive to the banks and their machinery-supplier clients.

1 1/2-Point Margin
CESP is seeking \$100 million through general syndication and is offering to pay banks a margin of 1 1/2 points over the London interbank offered rate for the eight-year loan. In addition, banks can earn front-end commissions totaling 1 percent.

The terms are equal to what Brazil has been paying. But the latest \$150-million loan for Siderbas was difficult to place and bankers had been expecting the next Brazilian loan to pay more.

St. Generale believes, however, that the smaller size of the CESP operation and the possibility of more business at a later date makes this loan more attractive.

A second \$100 million will not be generally syndicated. This will be for 12 years and reserved for banks — mostly those with operations in France — which will finance the remainder of the loan in French francs. The franc portion of the loan, guaranteed by

Low Volume of Euroloans Laid to 'Overborrowing'

By Carl Gewirtz

PARIS, Sept. 7 (IHT) — The volume of new loans being syndicated in the Eurocurrency market remained subdued last week.

Some bankers speculated that potential borrowers were biding their time in the hope that the upward drift in margins for less than top credit names can be halted as the economic slowdown in the industrialized world widens and banks start vying for new business.

These bankers suggested that many developing countries "overborrowed" last year and thus have ample reserves that can be run down before new loans have to be sought.

In addition, borrowers who do not want to be seen paying an increased margin to raise new funds

France, is especially attractive to banks, as such operations are much more profitable than are syndicated Euroloans.

There was little new business elsewhere. A number of mandates are hanging fire in Spain and both Empetrol and Empepsa, each seeking about \$50 million for 10 years, are expected to come to market with margins starting at a narrow 3 1/2 point over Libor.

In Greece, OTE, the telecommunications agency, is to award a mandate for its \$100-million loan, which is expected to carry some element of a half-point over Libor.

In the case of both Spain and Greece, bankers are growling that the indicated terms are too generous to make the deals particularly successful.

In Mexico, Banco Nacional de Comercio Exterior is rumored to be looking for \$200 million and in Argentina, Banco Nacional de Desarrollo is rumored likely to replace YPF as the next borrower — leaving YPF to come later.

With fears about the health of this market an ever-present and increasingly large worry, it should be noted that Zaire — a country whose name has become synonymous with mismanagement of borrowed funds — paid on schedule its second payment on its rescheduled arrears. Zaire paid lenders \$41.5 million on Sept. 2, raising to \$99 million the amount paid to banks this year. Its next scheduled payment is April 1. Zaire was also able to draw \$19.6 million from the International Monetary Fund as a result of having successfully met all of the economic performance criteria established by the fund.

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ment in convertibles increas-
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be price declines.

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Will the U.S. Buy Europe's Planes?

(Continued from Page 1)

with that kind of military superiority." Less, although the EEC industry is still only a part of the United States, in the world and representing power. Virtually on scratch after World War II, the European industry employs 250,000 persons with turnover of more than \$100 billion annually — roughly the size of the U.S. aircraft industry. In what some observers see as a reflection of the Carter administration's decreasing emphasis on EEC competition, Washington has a dazzling display of any aircraft at the Farnborough air show, including the F-15, McDonnell Douglas F-18 Hornet. In a relationship, Northrup said it is opening an export version fighter and was holding talks with officials in countries, such as Egypt, Turkey.

arter Veto in 1978

For relief, the Carter people are up ... It may be Reagan and the campaign lobbying in Washington that is costing the U.S. aerospace industry dearly. In 1978, Carter vetoed flying so-called U.S. military planes at Farnborough show on the grounds that it was costly and contributing to the arms race.

By the whole mood in London, particularly in Con to push arms buildup and of our planes and weapons wherever possible," added Washington-based observer EEC's aerospace industry already exports roughly

half its total output, is determined to meet the U.S. competition as it has been doing successfully for the past few years in such areas as helicopters and, of course, with the civilian Airbus.

British Prime Minister Margaret Thatcher summed up the mood at a gala dinner for Farnborough participants in London on Wednesday. Commenting on Britain's current, £10-billion (\$24-billion) military budget, Mrs. Thatcher said that "we must insure that this enormous budget not only provides our forces with the equipment they need, but also acts as a springboard for the export efforts of our high-technology industries."

She added that while Britain's military-equipment exports this year would earn the nation about £1.2 billion, "it is not enough." And in evaluating future military projects, Mrs. Thatcher said, "the prospects of overseas orders will be a factor which will play an increasing part in deciding our own operational requirements."

New Tactical Fighter

Her comment immediately focused attention on Britain's share in the launching of a new super-sonic tactical fighter for the 1990s, known as the European Combat Aircraft (ECA). Earlier this year, West German, French and British aerospace companies agreed to pursue studies for its development, but Hans Apel, West Germany's outspoken defense minister, has repeatedly said that the 3.5 billion Deutsche marks (\$2 billion) involved was too high.

A decision on whether to proceed is expected by the three governments by the middle of next year.

"For us, the ECA is absolutely critical, since after the Tornado we have no major projects," said a senior British aviation official. The Tornado is an all-weather combat jet being built jointly by British Aerospace, West Germany's MBB and Italy's Aeritalia, and which, despite previous criticism over its costs, is doing well, according to industry sources.



An Alpha jet takes off from an unpaved runway in France. Above, a Dassault Alpha assembly line in Toulouse.

Oil-Short Denmark Looks to Conglomerate, North Sea

(Continued from Page 7)

Moller but the group involved is actually a consortium that includes Shell, Texaco and Chevron. Gulf was in the group until 1975, then withdrew. Moller is in charge of the operation except for exploration, which is done by Chevron.

Of the four drilling rigs, three are owned by Moller and the fourth is leased from Norway. A fourth Moller rig is under construction in the Netherlands and should be on station by next summer. Moller has some 20 other

offshore oil rigs in operation around the world, mainly off West Africa, but they are under lease or contract to other companies.

The consortium — called DUC, for Danish Underground Consortium — proved the existence of oil in the southwest area of the North Sea in 1966 and brought in the first oil from the so-called Dan Field in 1972.

To find that oil, 51 wells had to be drilled. Production from three wellhead platforms with six wells each is about 3 million barrels a year. By last Jan. 1, about 14.8 million barrels had been produced.

A second sector, called the Gorm Field, is expected to begin production next year and to produce about 14 million barrels of oil annually. Both fields are about 130 miles off the coast of Jutland, the Danish mainland.

A third sector, called the Skjold Field, has been discovered but will not be exploited until the gas project gets under way in 1984. There are also two smaller fields known to contain oil but not yet thought to be worth developing. Also, earlier this summer, DUC began three wells on land in South Jutland, and last week the consortium disclosed that it had found the first signs of oil on the mainland.

With regard to the company's shipping, the name A.P. Moller is not seen on the world's sea-lanes except for one 98,000-ton tanker built in 1966. But the company owns and operates about 120 vessels, with most of them carrying the blue and black colors of the Maersk line.

The Moller fleet includes 37 tankers — a dozen of them super-tankers — 45 container vessels, eight bulk cargo-carrying ships and dozens of special service vessels, including 31 ships designed principally to supply the offshore oil rigs of Moller and other companies.

Maersk Air, which operates seven Boeing jets among other aircraft, is a scheduled carrier on Danish domestic routes and to the Faroe Islands, and flies charters. The 24 supermarkets of the Dansk

chain are owned jointly by A.P. Moller and another company. Moller owns a marine diesel engine company, as well as Roulunds Fabrik, a major producer of conveyor belts, fan belts, brake pads and clutch facings for automobiles.

Moller subsidiaries and companies in which it has interests make chemicals and plastics and foundry equipment, and its two shipyards have built more than 250 vessels, including 340,000-ton tankers, since the first yard was opened in 1917.

Recent economic conditions for most of the Moller operations have not been favorable. The 12 super-tankers are in service, but company officials say that some inevit-

Rise in Indicators Leads Silver Futures to Limit

CHICAGO, Sept. 7 (AP-DJ) — Silver futures rose Friday as much as the daily limit for the second consecutive trading day, in a performance that has signaled renewed interest in a market largely dormant since early April.

The strength in silver, which outperformed gold in the opinion of several analysts, resulted primarily from economic statistics that encouraged thoughts that industrial demand for the metal might increase.

Jack Boyd, director of commodities research for Drexel, Burnham Lambert Inc. in New York, said several developments during the past 10 days — including the rise in economic indicators and factory orders, and the slight drop in August unemployment — supported the view that industrial demand could grow.

Meanwhile, interest rate futures prices fell when the government drained bank reserves. Mark Lamey, a commodities trader who

owns his own brokerage firm, said the market was surprised by the Fed's intervention. Treasury bonds traded on the Chicago Board of Trade declined 8 to 14 ticks, and Ginnie Maes fell 8 to 16 ticks.

Speculation that Russian feed grain crops would be sharply lower than previous estimates, and light commercial buying in all trading pits, pushed futures prices higher on the Chicago Board of Trade.

COMMODITIES

Gold Options (prices in \$/oz.)

Gold	28 Nov. 80	26 Feb. 81	Options for
450	20.00-27.00	56.00-63.00	May 1981
470	20.00-27.00	56.00-63.00	short on
490	21.00-28.00	57.00-64.00	3 Nov. 80
510	22.00-29.00	58.00-65.00	
530	23.00-30.00	59.00-66.00	

Gold futures 457.00-458.00

Valuers White Weld S.A.

1, Quai de Mont-Blanc

1211 Geneva 1, Switzerland

Tel. 31 82 51 - Telex 28 385



Tornado's present per-unit cost — 809 planes will be ordered under the program — has risen to roughly \$5 million marks, which, according to Gero Madelung, MBB's chairman, "compares extremely favorably with contemporary combat aircraft of this class ... one reason why the Tornado is competitively a good buy."

Despite such upbeat talk, there are growing fears in Paris, London and Bonn that its costs will escalate further and, say cost-conscious aerospace planners, the present figures do not take account

of the Tornado's so-called systems price, which includes maintenance, pilot training and spare parts, totaling just over 67 million marks.

Depends on Tornado

"What we decide on the ECA project will partly depend on how we come out on the Tornado, since we do not intend to go broke on such projects," said a European official.

Or, as Mrs. Thatcher put it in her speech, "American corporations can offer their products in Europe at prices which are lower than the domestic industry can match ... Do we buy the apparently cheaper product from abroad or do we retain and develop our own defense industrial capacity?"

The possible solution is some form of transatlantic cooperation along the lines Mr. Mark and others are suggesting, according to industry and government sources. Yet nearly everyone involved also concedes that it is a long way off.

Maersk Air was hard hit by the drastic falloff in charter vacation trips. For the manufacturing companies, 1979 was what the company calls "a generally difficult year. The Odense Steel Shipyard Co. has contracts through 1982, building ships for Moller subsidiaries.

A government official who deals with Moller said, "The company is doing all right, but they would be just as happy as everyone else in Denmark to see the oil project pay off."

The dispute arose after the Securities and Exchange Commission uncovered the venture and alleged that G&W had withheld \$38.7 million in profits owed to the Dominican government.

WASHINGTON, Sept. 7 (NYT) — Gulf & Western has agreed to \$39-million settlement to end a dispute with the Dominican Republic over profits from a speculative joint sugar trading arrangement five years ago, according to the company and President Antonio Guzman of the Dominican Republic.

The dispute arose after the Securities and Exchange Commission uncovered the venture and alleged that G&W had withheld \$38.7 million in profits owed to the Dominican government.

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Robond Dealers Wary Flux in Interest Rates

(Continued from Page 7)

interest rates to 8.2 percent a week earlier, on offer in the DM market, in the wake of developments in the dollar market. The Bundesbank determined an outflow of interest money into dollars would weaken the exchange the mark — interest rates are pegged off those offered dollar market. Thus, the value of dollar rates finds its role in the DM market.

scheduled issue for Renfe, Spanish railroad, was withdrawn last week's upset. The 150 million DM issue had been scheduled to carry a 8 1/2 percent rate.

Other issues on offer is a 100-million DM issue for Nucleo, carrying the guarantee of and offering a coupon of 9 1/2 percent. The only other issues for this month are 150 million DM for Austria, scheduled to be issued tomorrow, and 200 million DM for Australia, scheduled for mid-month, expected to carry a mature seven years.

Fininvest, a financing unit of Italian state holding company

ENI and guaranteed by ENI, is offering 120 million French francs of five-year notes carrying a coupon of 13 1/2 percent.

This is to be followed by the first convertible Eurofranc ever offered. CIT-Alcatel, a unit of Cie. Generale d'Electricite, will be the issuer.

In the long-dormant Unit of Account market, Kommunaleinvest, a Swedish municipal financing company, is offering 8.5 million UA (about \$13 million) of 10-year paper at par carrying a coupon of 9 1/2 percent. Payment will be made in DM and one unit currently is worth 2.976 DM.

Market Turnover Week Ended September 5 (All figures in U.S. dollars)

Market	Total	Dollar	Non-dollar
Codel	1,257.1	983.7	273.4
Eurod.	3,309.	2,912.	396.5

Calculated by Luxembourg Stock Exchange

Week Ended September 5 (All figures in U.S. dollars)

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Week Ended September 5 (All figures in U.S. dollars)

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Week Ended September 5 (All figures in U.S. dollars)

Calculated by Luxembourg Stock Exchange

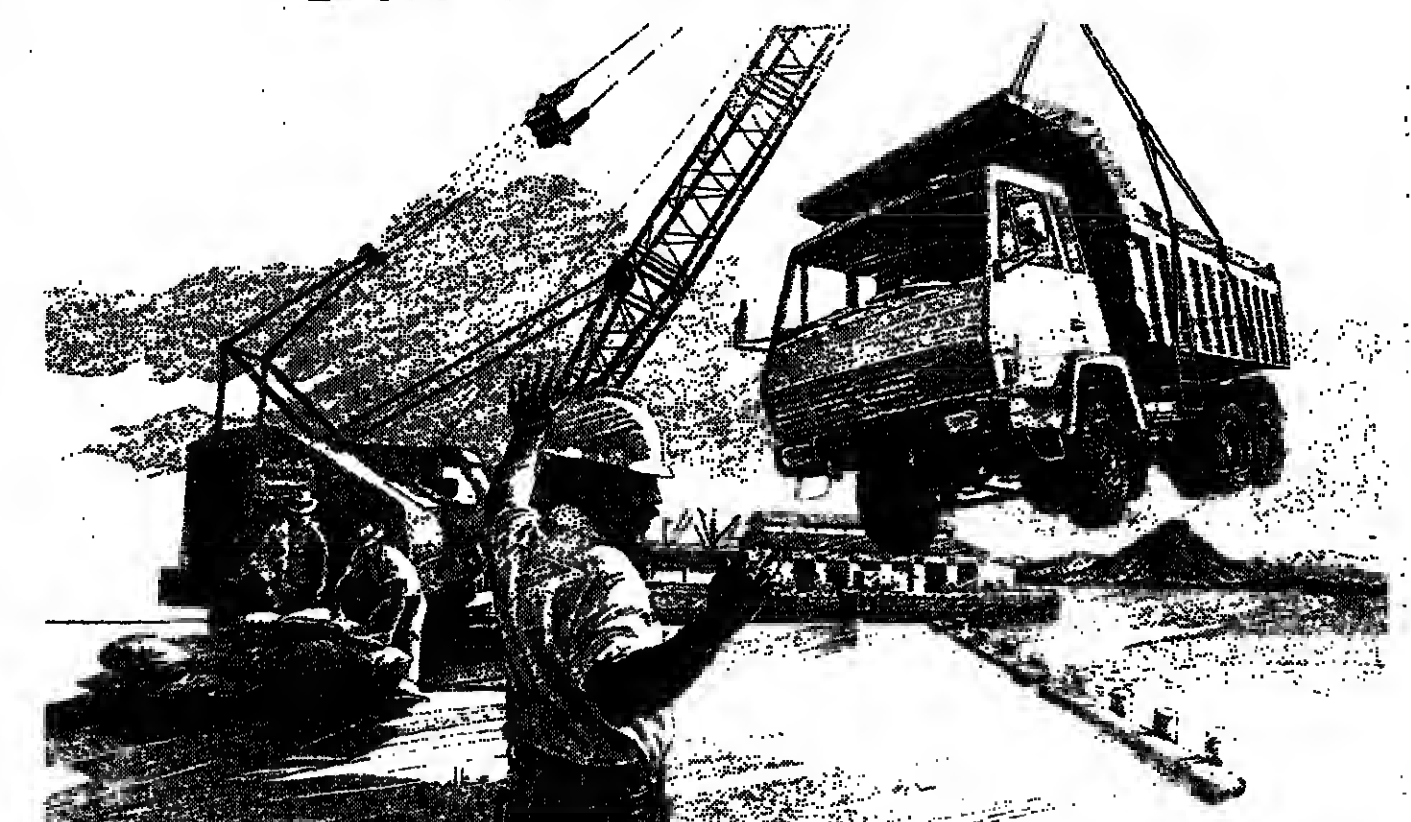
Week Ended September 5 (All figures in U.S. dollars)

Calculated by Luxembourg Stock Exchange

Week Ended September 5 (All figures in U.S. dollars)

Calculated by Luxembourg Stock Exchange

Some people think Bank of America only finances trade with the USA.



So how did we help get Austrian trucks delivered to Costa Rica?

Don't let our name mislead you. Bank of America actually has affiliates, branches and subsidiaries in over 85 countries around the world.

That means we can help finance European exports to practically anywhere in the world, not just America.

For example, one of our Austrian customers—Steyr-Daimler-Puch AG—is exporting heavy trucks to Costa Rica, where they are being used in a major road building program.

Our Vienna branch arranged financing that benefited both the Austrian exporter and Costa Rican importer. Working with two of our subsidiaries in Costa Rica—Bank of America S.A., and Financiera de America S.A.—we developed a non-recourse buyer credit

where the exporter received cash for the sale and the importer received term financing at an attractive fixed rate. This was possible because the entire package was structured under the Austrian export promotion program, OKB (agency bank Österreichische Kontrollbank AG).

And that's just one example. We're also experienced with other European export promotion programs as well (COFACE, ECGD, NCM, HERMES, etc.) and we have export credit specialists for many European countries to assist your company in arranging financing for export sales.

Whenever you're exporting, a good place to start is your local Bank of America.

BANK OF AMERICA Think what we can do for you.

BANK OF AMERICA/ITALISA MEMBER FDIC

International Bond Prices—Week of Sept. 4

[illegible]

Over-the-Counter

[illegible]

S in
S in

**To discover new opportunities
for one of the world's leading
silver producers, a man must
be realistic and resourceful.**

His banker must be the same.



Federico Delgado, treasurer Vice-President, Industrias Peñoles.

Lawrence Miller, Vice-President, Chemical Bank.
Photographed at Industrias Peñoles' Metmex division
in Toluca, Mexico

Today, Mexico's Industrias Peñoles is a mining, metallurgical and chemical leader. And in a country that produces more silver than any other, Peñoles produces more silver than any other company in Mexico.

A privately owned Mexican enterprise engaged in the production of high purity materials derived from mineral resources, Peñoles has seen its sales increase ten-fold in the past decade. Thanks to the foresight of company management, the financial guidance of Treasurer Vice-President Federico Delgado, and the flexibility of Mr. Delgado's Chemical banker, Lawrence Miller.

In 1969, to maximize its growth

potential in the industry and to minimize its dependence on price-sensitive lead and zinc. Peñoles embarked on a major program of exploration and expansion — for which substantial amounts of money were required.

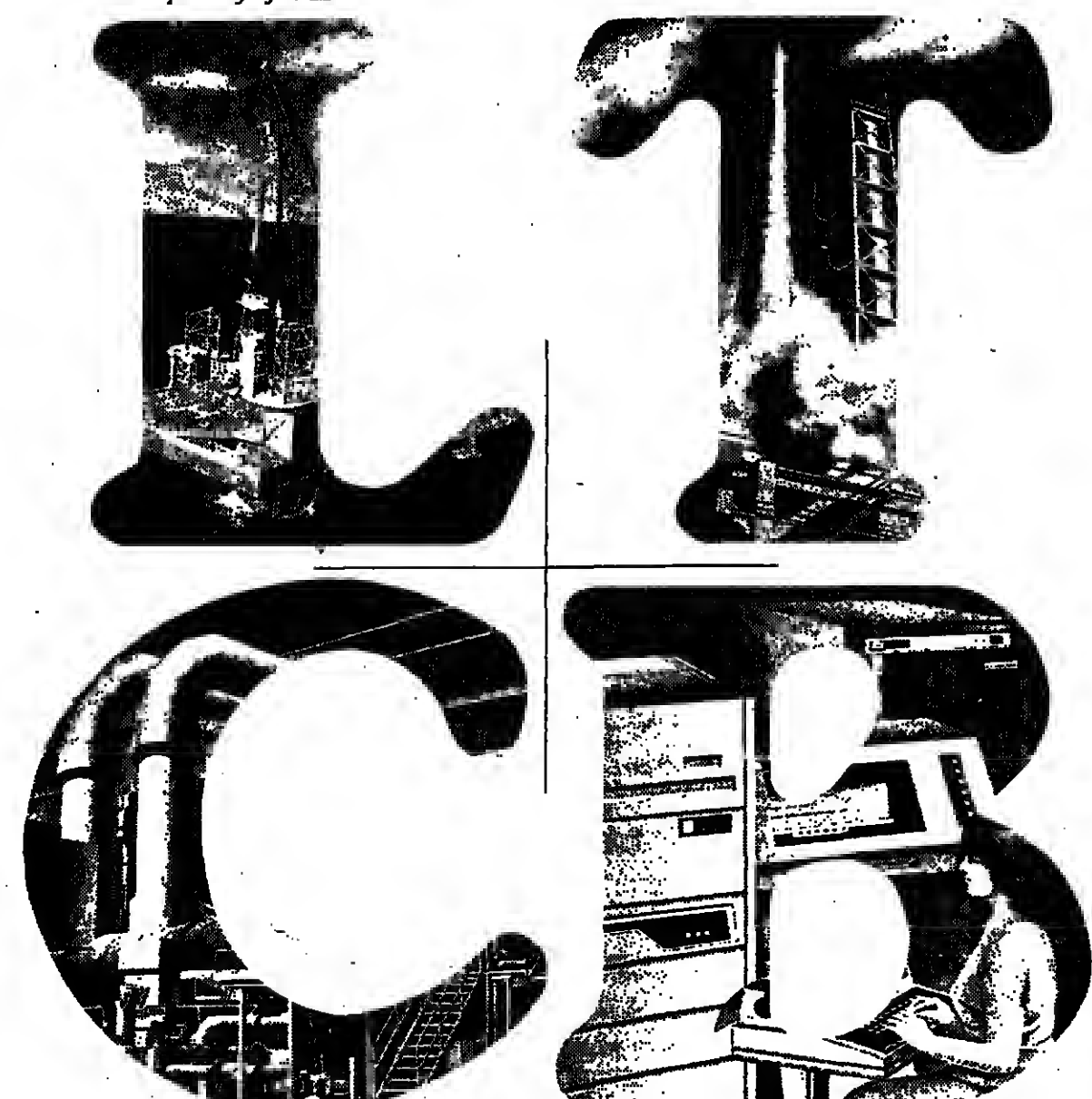
That's when Peñoles got together with Chemical. Of course, Peñoles was doing business with other major U.S. banks. But at a time when the company's expansion ran up against falling mineral prices, Chemical Bank was both receptive and responsive. With Larry Miller's knowledge of the company, and his confidence in management's ability to handle their ambitious program, he arranged to

lend Penhales over 50 million dollars. With the funds provided, Penhales substantially increased capability. And with Mr. Miller's demonstrated understanding and responsiveness to the company's changing needs, Mr. Delgado has since come to him for help with investments and cash management services.

Based on the professionalism exhibited on both sides, the relationship between Mr. Delgado and Mr. Miller has ripened into one of mutual respect. That's what usually happens when corporate officers get together with Chemical bankers. And what results is long-term benefits for both the company and the bank.

Long-term financing to meet the needs of industry is the specialty of LTCB.

*Timely services are
extended through an
international network*



*Corporate financing,
project financing – LTCB
is experienced in all forms
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a lot more efficient
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HAVANA, Sept. 7. Latin American and Caribbean countries have condemned the European Economic Community, maintaining that the protectionist agricultural policy is a resolution adopted yesterday at the end of a six-day session of the United Nations Conference on Trade and Agriculture Organization.

The resolution urges members to present a front against the possible effects of the enlargement of the community to include Greece, Portugal and Turkey.

The Management of Foreign Exchange Risks

Paris October 13-14
New York November 24-25*



Jean-Yves Haberer, Director of the French Treasury, and **Filippo Maria Pandolfi**, Minister for the Treasury of Italy and Chairman of the IMF Governors Committee on the International Monetary System, will be featured speakers at the fifth International Herald Tribune/Forex Research conference on the "Management of Foreign Exchange Risks," to be held October 13 and 14 at the Paris Hilton.

Designed to assist senior executives in solving the complex foreign exchange problems they encounter daily, this two-day working conference will include presentations by Financial Directors and Treasurers of some of Europe's most important corporations: Unilever, IBM, Saint-Gobain-Pont-a-Mousson, Occidental Petroleum, Renault, Electrolux, Gasunie, Dow Chemical and Pechiney Ugine Kuhlman.

They will discuss specific techniques for managing currency exposure (debt versus forward markets, netting, measuring results, dealing with trading rooms, the role of timing, etc.) as well as such overall policy questions as centralization versus decentralization of foreign exchange exposure.

Of special interest as the U.S. presidential election approach will be a speech by **Robert Solomon**, Brookings Institution on the outlook for the economy.

The international monetary system will be a subject of discussion, with **Mr. Haberer** speaking the EMS, **Mr. Pandolfi** on reserve asset diversification, and **Walter Seipp**, Vice Chairman of Deutsche Landesbank, on the role of Deutschemark.

The conference will close with a forecast for major currencies by Forex Research.

Each speech will be followed by a question and answer period, and simultaneous English-French translation will be provided.

Make sure your company is represented at an important international conference. Complete and return the registration form below today.

*A similar conference will be held in New York on November 24 featuring Henry Wallich of the U.S. Federal Reserve Board and the Honorable Edward Heath, M.P. Write to the International Herald Tribune conference office at the address below or phone Paris 741 for details.

CONFERENCE REGISTRATION FORM

Please enroll the following participant for the conference to be held October 13 and 14, 1990 in Paris.

Fees are payable in advance of the conference. Each participant: FF 3,000 or the equivalent (plus 17.6% TVA for registrations from France). Fees will be returned in full for any cancellation that is postmarked on or before September 29, 1990.

☐ Please invoice ☐ Check enclosed

Surname _____
First Name _____
Position _____
Company _____
Address _____
City/Country _____
Telephone _____

Return to: International Herald Tribune
Foreign Exchange Conference
181, avenue Charles-de-Gaulle
92521 Neuilly Cedex, France
8-9-80 Telephone: 747.12.65 Telex: 612832

HOTEL RESERVATION FORM

Please reserve accommodations for nights of October 12 and 13.

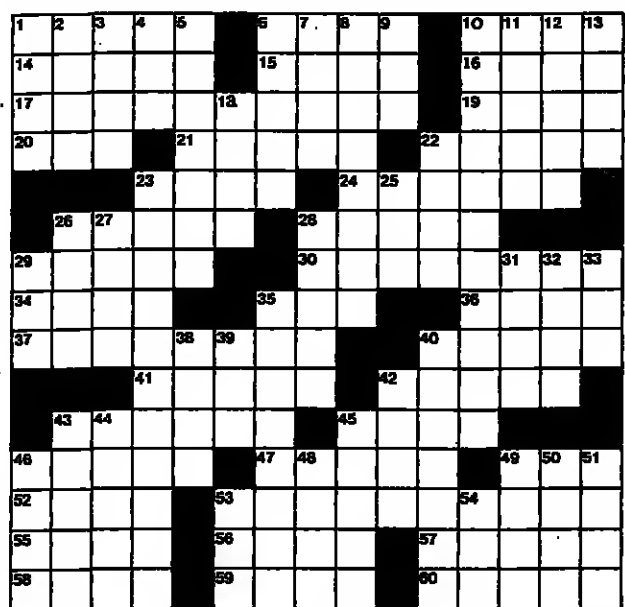
☐ Single (FF 325 per night + 22% tax)
☐ Double (FF 375 per night + 22% tax)

A block of rooms has been reserved for participants at preferential rates on a first-come, first-served basis. Reservation must be received by October 6 with a check for the first night.

Surname _____
First Name _____
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Company _____
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Telephone _____ Telex _____

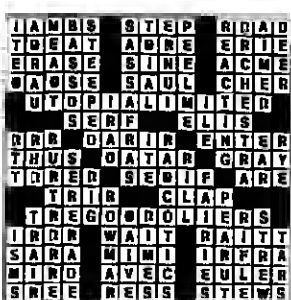
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Direction Commerciale
Foreign Exchange Conference
Hotel Paris Hilton
18, avenue de Suffren
75540 Paris Cedex 15
Telephone: 273.92.00 Telex: 200955

CROSSWORD By Eugene T. Maleska



- ACROSS**
- Directed so as to hit
 - Agreement
 - Small points
 - Packing case
 - Bitter plant
 - Concerning
 - Western duo, familiarly
 - Parisiadsky
 - Printers' measures
 - TV
 - Toast in Denmark
 - Refuge
 - Floating on the surface
 - Entrance places
 - Basketball scoring play
 - Frolics
 - Requests again
 - Author of "Permit Me Voyage"
 - Jardin
 - Plants
 - Brodie or Harlow
 - A sentence
 - Kind of car race
- DOWN**
- Land measure
 - Ferrum
 - Baseball superstar
 - Timetable abbr.
 - Singer John and family
 - Trial people: Abbr.
 - Clergyman's home
 - Charleston and Big Apple
 - Domesticated
 - Card combinations
 - Andres
 - Super airliner
 - Eager
 - Tracy
 - Hepburn movie duo: 1952
 - Puerto

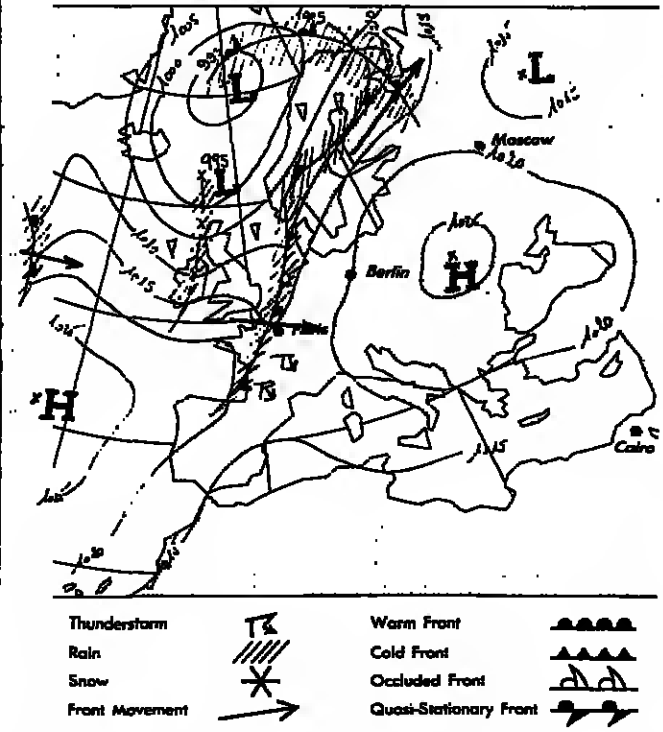
Solution to Friday's Puzzle



WEATHER

ALBANY	23	73	Foggy	MADRID	51	66	Fair
AMSTERDAM	21	70	Fair	MIAMI	27	81	Fair
ANKARA	20	68	Fair	MILAN	26	77	Fair
ATHENS	20	68	Fair	MONTREAL	28	82	Fair
BELGRADE	20	68	Fair	MOSCOW	18	64	Foggy
BERLIN	20	68	Fair	MUNICH	18	64	Fair
BRUSSELS	20	68	Overcast	NEW YORK	24	75	Fair
SARAJEVO	20	68	Fair	NICE	24	75	Fair
SOFIA	20	68	Fair	OSLO	24	75	Fair
STOCKHOLM	20	68	Fair	PARIS	24	75	Fair
VIENNA	20	68	Overcast	PRAGUE	24	75	Fair
ZAGREB	20	68	Fair	ROME	24	75	Fair
				SOFIA	24	75	Fair
				STOCKHOLM	24	75	Fair
				TEHRAN	24	75	Fair
				TEL AVIV	24	75	Fair
				TOKYO	24	82	Shrmy
				TUNIS	24	75	Fair
				VIENNA	20	68	Foggy
				WASHINGTON	27	83	Foggy
				ZURICH	17	63	Foggy

Situation Forecast for Noon G.M.T. Monday



Oklahoma Town Tells Washington It Is Not Interested in U.S. Funds

LOTSEE, Okla., Sept. 7 (AP)—This tiny town in northeastern Oklahoma just got its annual letter from the Office of Revenue Sharing warning that "unless you take prompt action, your government will lose revenue-sharing funds."

Well, Lotsee's government consists of the Campbell family—the town's sole residents—and they are not much concerned with federal aid since their town has no income, no budget and no debt.

In fact, all the town has is 60 acres of ranch land, 125 polled Hereford cattle and some horses.

George Campbell, 74, founded Lotsee by incorporating his family ranch west of Sand Springs in 1965 to avoid being swallowed up by nearby municipalities. He feared annexation would signal the beginning of urban sprawl and an end to his cattle-raising operation.

He gets a revenue-sharing letter once a year, even though he has repeatedly told the government that he is not interested.

"We don't participate in any federal programs because we don't want them telling us what to do," he said recently. That also goes for state aid, including an annual share of the state's alcoholic beverage tax money, which is always declined.

Lotsee's population consists of Mr. Campbell, his wife, his daughter and son-in-law and three granddaughters.

PEANUTS



BLONDIE



BEETLEBAILEY



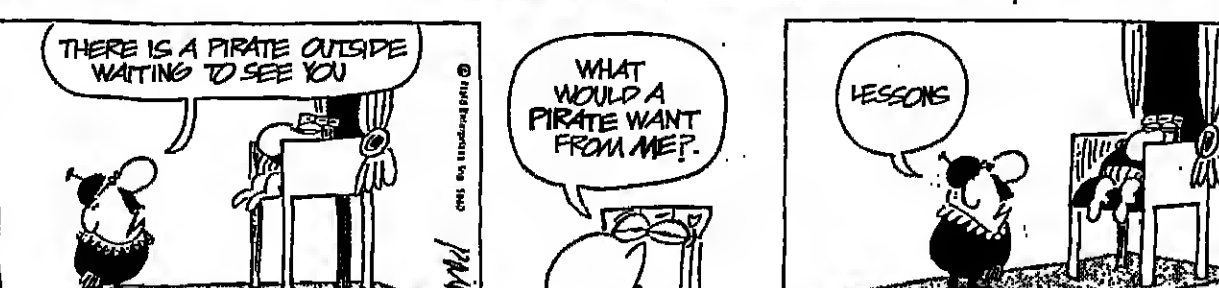
ANDY CAPP



WIZARD OF ID



REX MORGAN



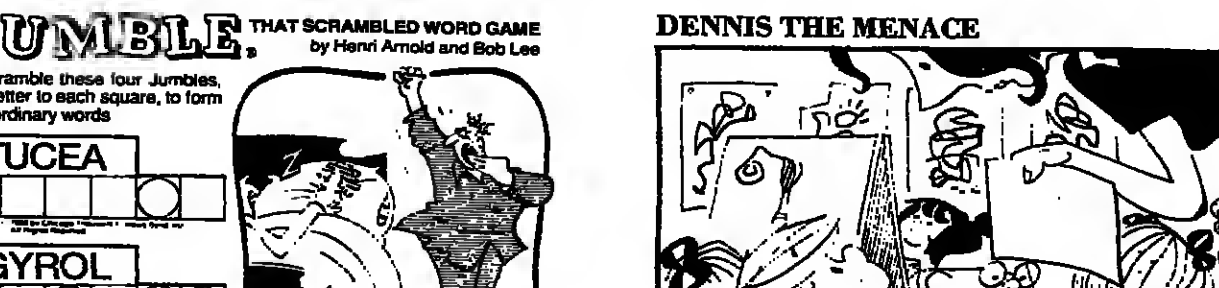
DOONESBURY



JUMBLE



DENNIS THE MENACE



BOOKS

SOON TO BE A MAJOR MOTION PICTURE
By Abbie Hoffman. Introduction by Norman Mailer. A Perigee Book/Putnam. Illustrated. 304 pages. Hardcover, \$13.95; paper, \$6.95. Reviewed by John Leonard

ABBIE HOFFMAN, sending smoke signals from the underground, tells us that "I was probably the only professed revolutionary ever referred to as 'cute.'" This is the same Abbie Hoffman who told the Walker Commission after the 1968 Democratic National Convention in Chicago that he favored the overthrow of the government "by any means necessary. I'd prefer to see it be done with bubble gum, but I'm having some doubts." In "Soon to Be a Major Motion Picture," which is a series of "takes" in search of an autobiography, he is also having some doubts about being "cute."

Hoffman, the blithe spirit of the Yippies, was busted for dealing cocaine, and jumped bail. He denies the dealing in this book written on the lam. And after six years of hiding out somewhere in the "heartland" agitating against nuclear power plants, after, he warns us, some plastic surgery, he surrendered last week at the Manhattan district attorney's office. He is out, like his friend Jerry Rubin, on Wall Street and the Op-Ed page of the New York Times. But he still likes Rubin.

In fact he likes almost everybody except Tom Hayden, the feminist Robin Morgan, the late Emmett Grogan of the Diggers, the pathetic Timothy Leary and the entrepreneur Jann Wenner, publisher of Rolling Stone and, in Hoffman's words, "the Benedict Arnold of the '60s." He wants almost everybody to like him back.

"A Lack of Ultimate Irony" Norman Mailer, in his introduction to "Soon to Be a Major Motion Picture," is inclined to take Hoffman more seriously than Mailer had been before reading the book. I agree. Mailer, who is a fine literary critic when he bothers, adds that "the literary merits of his book are circumscribed by a lack of ultimate irony." This seems to me to be true, too, and surprising. We expect a joke to grow up and become an irony; our modernist professors told us so. Some flowers, however, grow up merely to be smoked or turned to compost. Perhaps there is enough irony in the fact that Hollywood actors and professional athletes continue to work after committing such crimes as Hoffman has been accused of.

What Mailer doesn't mention is that "Soon to Be a Major Motion Picture" is actually two books. One is addressed to his friends and acquaintances in the "movement." In this book he seeks to assure the funky and the elect that he hasn't sold out, that he dreams of clenched fists at the heart of the flowers, and that he has been misunderstood and unfairly reviled by various enemies. Most readers, unacquainted with the "romper room" politics of the Left in the 1960s and 1970s, will find this first book tedious, if not inexcusable. Nobody who was there, though, even on the periphery, will have to read it.

The second book is poignant. It

is Abbie growing Worcester, Mass., streets and in the "half-a-hustler" who came "half-a-martyr" barn Maslow a Marcuse, not to meer McLuhan, Abbie at graduate student and back to New England films; Abbie marriage and two child out on New York; Side to "organize" prankster, as part for the Irish Republic levitator of the Pen Sol Hurok of street itive

Mississippi, Chicago, Cuba, Paris in 1968, Belfast, G Terminal—name it there, and this is kept moving. Maybe problem: "Because o tentation span, I never anything," not eve an. Lenin stayed in Zurich. Abbie is believe in killing the Lenin, on leaving 2 different view; Lenin wasn't done with bubble gum to make somehow "contagion" New York Stock Exc He speaks of "my Laing," and under about as well as he d and Marcuse and Ant which is to say that people on bubble gum Janis Joplin, we are "crashed" on his living. "She was the only p saw use a needle. It shivers." He calls Sh "that pompous phony plaining why he think ing to Abbie: "Exclu T.S. Eliot, 'Howl' is 20th-century poem in language, bar none. William Butler Yeats Frost. He loves Las hates disco and under tomy and considers "controlled schizophre leaves, wrongly, that behind him.

Why is this poignant in any other Americ Dennis, the Menace been a Mark Twain or ers. He would over Big Bill Haywood o Lippmann. He would permissiveness as a cap of thought of, instead, as taches. He loves his children. He didn't do, and he feels bad for dooce enough. He asser one thing Jesus said: ny and I'll eat this d right. Didn't Jesus say little children to com and forbid them not; the kingdom of God laugh, when we can't to talk to.

John Leonard is on The New York Times.

CHESS

By Rob

THE most pre-eminent 17-year-old in the world of chess, Gari Kasparov, a Russian grandmaster, achieved another triumph in winning the Baku International Tournament with an 11½-3½ score.

Kasparov (his mother changed his name and hers from Weinstein some years ago) edged out another grandmaster, his compatriot Alexander Belyavsky, by a half point; these two left the rest of the field in the dust.

Maya Chiburdanidze, the Soviet women's world champion, finished impressively ahead of a handful of grandmasters.

Against his fellow Russian grandmaster, Igor Zaitzev, Kasparov adopted the old but sharp and dangerous 8 Q-B2 to confront the Turkov variation (7 ... P-QN3). On 8 N-N2 it would only have furthered Black's development to proceed by 9 PxP, NxP; 10 BxB, QxB; 11 NxB, PxN, Kasparov's alternative with 9 BxN, BxB; 10 PxB, PxB; 11 0-0-0 conceded the bishop-pair but prevented additional exchanges.

Since the threat was 12 P-KR4 followed by P-KN4 and P-KN3 with a terrific kingside attack, and since passive defense did not inspire confidence, Zaitzev aimed for a counterattack on the White king with 11 ... P-B4.

This gave Kasparov the option, which he took of operating against the exposed Black pawn center by 12 PxB. Here, Zaitzev could have avoided tactical problems by 12 ... BxN; 13 QxB, N-Q2; but after 14 P-B6, BxP; 15 K-N1, R-B1; 16 Q-Q4, B-N2; 17 B-Q3, Black's isolated QP would have given him a slight disadvantage that would not have been easy to remedy.

In previous games, 12 ... PxB has not worked out well because of 13 NxB, BxN; 14 B-B4, N-Q2; 15 RxB, R-N1; 16 P-QN3, Q-K2; 17 P-KR4!, setting the stage for 17 ... N-N3; 18 R-KS1, BxR; 19 N-N51, PxN; 20 PxB, P-N3; 21 QxP, B-N2; 22 Q-R7mate.

On 12 ... N-Q2, it would have been wrong to capture with 13 PxB? because 13 ... BxN; 14 PxB, PxB would have presented a powerful massing of Black rooks and queen on the QR file. This meant that to justify his 12 PxB, Kasparov had to venture 13 NxB?!

On Zaitzev's 14 ... P-QN4!, it would have been wrong to capture with 15 BxP? because of 15 ... BxB; 16 B-B4, B-KS1; 17 RxB, KRxB; 18 Q-K2, QR-B1;



Position after 22 ...

19 N-Q2, N-Q6ch; N-NPch; 21 K-K1, B-B3 (22 BxB?, R-B8ch) N lets Black win material. Why did Zaitzev shu from 19 ... Q-N3ch; KR-K1, followed by ... RxB or 20 ... Qx would have been the Kasparov's variation. In itter's 19 ... R-B5?; 20 R-Q8ch, R-R2; 26 R with a slightly superior White.

However, Zaitzev, um which way the wind was erred with 23 ... R-B1; struck by a tornado. Af Q8, it was too late for Q-N3 because 25 QxQ, P-K5 wins a pawn.

On 30 Q-K8ch, Zaitzev since 30 ... K-B3; 31 Q N4; 32 R-Q8ch, R-N5; 33 K-B4 leads to 34 R-Q8mate.

In the diagram with the of August 25, the Black Black's Q86 should have QN6.

	White	Black
1-10	10-10	10-10
11-20	10-10	10-10
21-30	10-10	10-10
31-40	10-10	10-10
41-50	10-10	10-10
51-60	10-10	10-10
61-70	10-10	10-10
71-80	10-10	10-10
81-90	10-10	10-10
91-100	10-10	10-10

Atlanta Keeps Up Tinning Streak

Sept. 7 (UPI) — Atlanta kept its tinning streak alive with a two-out, two-run sixth-inning homer by Gene Garber to pitch a two-hitter yes-straight game with a 3-2 over Pittsburgh.

Now has won 16 of its 17 in 11 meetings with this year. Before the Braves announced that Bobby Cox had signed a contract covering the seasons.

Twins 4, Tigers 0

In Detroit, Jerry Koosman and Doug Corbett combined for a three-hitter in leading Minnesota to a 4-0 victory over Detroit, snapping the Tigers' four-game winning streak.

Yankees 7, Angels 4

In New York, Oscar Gamble hit a two-run homer and rookie Bobby Brown drove in two runs with a homer and a double to power New York to its sixth straight victory, a 7-4 decision over California. The win, coupled with Baltimore's 3-2 loss to Oakland, moved the Yankees 3½ games ahead of the Orioles in the American League East.

A's 3, Orioles 2

In Baltimore, Rick Langford scattered eight hits en route to his 21st straight complete game, and Dave Revere drove in two runs to lift Oakland to a 3-2 victory over Baltimore.

Cubs 4, Reds 3

In Chicago, Paul Householder, pitcher, and Joe Nolan drove two runs each today to Cincinnati to a 6-1 victory over the Reds.

Cardinals 5, Astros 4

In St. Louis, Jose Cruz' first career slam home in the third and led Houston to a 6-4 over St. Louis and a sweep of the Cardinals. In the first inning, Cruz hit a two-run single to tie a seven-run third.

Pirates 7, Phillies 3

In Philadelphia, Rick Monday's two-run homer and rookie Mike Scioscia had four straight hits to lead the Phillies to a 7-3 over the Pirates. Bob Lutz and Steve Howe, who pitched his 15th save, scattered.

Padres 7, Mets 7

In San Diego, Gene Tenace's four-run homer, three with one out, capped a five-run, ninth-inning rally — leading San Diego to a 7-3 victory over New York's eighth straight.

Brewers 6, Rangers 2

In Milwaukee, the American League, in the Don Money, hit a two-run homer and Gorman's added a pair of RBIs to lead Milwaukee to a 6-2 victory over Texas.

Indians 3, Royals 3

In Cleveland, rookie Joe Charbonnet's two-run homer and Dora and Tony Harrah hit home runs to power Cleveland to victory over Kansas City. Starter Len Barker, who pitched his 18th victory, struck out and held Royals' slugger.

Major League Standings

AMERICAN LEAGUE

East

W L Pct. GB

10 10 1.000 0

11 11 .909 0

12 12 .857 0

13 13 .800 0

14 14 .750 0

15 15 .700 0

16 16 .650 0

17 17 .600 0

18 18 .550 0

19 19 .500 0

20 20 .450 0

21 21 .400 0

22 22 .350 0

23 23 .300 0

24 24 .250 0

25 25 .200 0

26 26 .150 0

27 27 .100 0

28 28 .050 0

29 29 .000 0

30 30 .000 0

31 31 .000 0

32 32 .000 0

33 33 .000 0

34 34 .000 0

35 35 .000 0

36 36 .000 0

37 37 .000 0

38 38 .000 0

39 39 .000 0

40 40 .000 0

George Brett hitless in three official at-bats.

Red Sox 5, Mariners 1

In Boston, the combined six-hit pitching of Dick Drago and Tom Burgmeier and homers by Carlton Fisk and Jim Rice gave Boston to a 5-1 triumph over Seattle.

Twins 4, Tigers 0

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24 24 .250 0

25 25 .200 0

26 26 .150 0

27 27 .100 0

28 28 .050 0

29 29 .000 0

30 30 .000 0

31 31 .000 0

32 32 .000 0

33 33 .000 0

34 34 .000 0

35 35 .000 0

36 36 .000 0

37 37 .000 0

38 38 .000 0

39 39 .000 0

40 40 .000 0

41 41 .000 0

42 42 .000 0

43 43 .000 0

44 44 .000 0

45 45 .000 0

46 46 .000 0

47 47 .000 0

48 48 .000 0



Chris Evert Lloyd with her U.S. Open trophy.

Steelers Open NFL Play With Defeat of Oilers

PITTSBURGH, Sept. 7 (UPI) — Terry Bradshaw plunged one yard for a tie-breaking touchdown early in the fourth quarter and connected with John Stallworth on a 50-yard touchdown pass four minutes later to give the National Football League champion Pittsburgh Steelers a 31-17 victory over Houston in the season opener.

Safety Donnie Shell assured the Steelers' victory before a record 54,386 when, for the second time in the game, he intercepted a Ken Stabler pass deep in Pittsburgh territory. He returned it 67 yards to the Oilers' 18 with 2:17 left to play.

The Steelers' two fourth-quarter touchdowns ruined a dramatic third-period rally by the Oilers, who were trailing 17-0 at the half.

Houston, which has lost two straight title games to Pittsburgh, managed to tie the score in the first 11:39 of the third period on a 31-yard field goal by Tom Fritsch, a 57-yard touchdown pass on a surprising halfback option play from Earl Campbell to Billy Johnson, and a one-yard touchdown

plunge by Campbell. That score followed Theo Bell's fumble of a punt return on the Pittsburgh 21. The Steelers took a 17-0 lead in the first quarter on a 29-yard Bradshaw pass to Sidney Thornton, a 1-yard touchdown plunge by Franco Harris and a 27-yard field goal by Matt Bahr.

Patriots 34, Browns 17

In Foxboro, Mass., Steve Grogan, who tied for the NFL lead in touchdowns passes with 28 last season, tossed three in the opener today, leading New England to a 34-17 triumph over Cleveland.

Grogan, booed by the Patriots' fans in their only pre-season home game two weeks ago, threw scoring passes to Harold Jackson, Stanley Morgan and Don Hasselbeck. The touchdown catch was the 500th pass reception of Jackson's career.

Buccaneers 17, Bengals 12

In Cincinnati, Doug Williams threw a pair of touchdown passes to tight end Jimmie Giles, the last a 15-yarder with 1:47 left in the game, to lift Tampa Bay to a 17-12 triumph over Cincinnati.

Williams' game-winning strike to Giles came on the second play after Cincinnati punter Pat McCloskey bobbled the snap from center and the ball went out of bounds on the Bengals' five-yard line. After Tampa Bay was called for holding and penalized back to the 15, Williams found Giles all alone over the middle for the score.

49ers 26, Saints 23

In New Orleans, Ray Wersching kicked two 37-yard field goals in the fourth quarter and rookie Earl Cooper rushed for 78 yards and two touchdowns to lead San Francisco to a 26-23 upset over New Orleans. The Saints missed a 33-yard field goal in the final seconds that would have tied the score.

Giants 41, Cardinals 35

In St. Louis, second-year quarterback Phil Simms fired five touchdown passes, four to second-year wide receiver Ernest Gray, to lead New York to a wild 41-35 victory over St. Louis, spoiling the debut of coach Jim Hanifan.

Simms finished with 16 completions in 31 attempts for 280 yards

in a passing duel with St. Louis veteran Jim Hart, who hit 18 of 31 passes for 322 yards and two touchdowns. Simms' favorite target was Gray, who finished with nine catches for 174 yards and set a New York club record with the four touchdowns. His final reception was a 20-yard touchdown pass midway through the final quarter that gave the Giants a 38-28 lead.

Hart, however, found Pat Tillen open in the end zone and fired a 42-yard scoring pass, as Tillen made a spectacular diving fingertip grab, to bring St. Louis within three points with 5:55 remaining.

Vikings 24, Falcons 23

In Bloomington, Minn., Rick Danmeier's 27-yard field goal with 25 seconds remaining — set up by the precision passing of Tommy Kramer — lifted the Minnesota Vikings to a dramatic 24-23 victory over the Atlanta Falcons.

Kramer, who completed 30 of 42 passes for 395 yards and three touchdowns, fired seven straight completions on the Vikings' final scoring drive. Atlanta had gone up

23-21 with 3:17 to play on Tim Mazetti's 23-yard field goal.

Bills 17, Dolphins 7

In Orchard Park, N.Y., Roosevelt Leaks caught a four-yard touchdown pass and rookie Joe Cribbs scored on a two-yard run to rally Buffalo to a 17-7 triumph over Miami and snap an NFL record for futility. The victory ended a decade of frustration for the Bills, stopping the Dolphins' regular-season winning streak over Buffalo at an NFL-record 20 games.

Packers 12, Bears 6

In Green Bay, Wis., Chester Marcol scored a 24-yard run after a blocked field goal attempt, lifting Green Bay to a 12-6 victory over Chicago.

Marcol's 35-yard field goal attempt bounced off a Bears' lineman and back into his hands, and the nine-year veteran took off around left end and outraced two defenders into the end zone. The touchdown capped a wild opening game in pro football's oldest rivalry.

Texans 23, Mississippi 20

At Jackson, Miss., quarterback

Borg, McEnroe Reach Men's Final Lloyd Wins 5th U.S. Open Title

From Agency Dispatches

NEW YORK, Sept. 7 — Chris Evert Lloyd won her fifth U.S. Open Championship yesterday, while John McEnroe won a fifth-set tie-break from Jimmy Connors to set up a replay of his Wimbledon final with Bjorn Borg two months ago.

In the women's doubles final today, Billie Jean King and Martina Navratilova beat Pam Shriver and Betty Stove, 7-6, 7-5. King and Navratilova, who were seeded No. 1, won the tie-break, 7-2. It was the second Open crown as a team for King and Navratilova, with the first coming in 1978. King also won the doubles two other times with Rosemary Casals, and Navratilova teamed with Stove for the 1977 title.

Marty Riessen and Wendy Turnbull won the mixed doubles title by defeating Frew MacMillan and Betty Stove, 7-6, 6-2.

Lloyd won down 18-year-old Hana Mandlikova with her steady baseline strokes to earn a 5-7, 6-1, 6-1 victory. "This has been the toughest Open of all for me and the most emotional," said Lloyd, who received a first prize of \$46,000 from the total purse of \$654,082. "For two years I kept reading about how I was no longer

No. 1. It was discouraging. I lost a little faith in myself."

Lloyd won the Open from 1975 through 1978 before being dethroned by Tracy Austin in 1979. "I really wanted to win this tournament," Lloyd said last night. Her victory pleased the capacity crowd of 18,586 at the National Tennis Center.

Ninth-seeded Mandlikova, aware that she could not hope to match strokes with Lloyd from the baseline, rushed to the net at every opportunity. The tactic worked well enough in the first set, when she won five of the last six games and broke Lloyd's serve without losing a point to close out the set.

Baseline Game

But the 25-year-old Lloyd, seeded third, stayed calm and broke back to start the second set and began to score more consistently with her passing shots. Mandlikova's attacking game fell apart as she committed frequent unforced errors on her approaches and her volleys.

Lloyd, maintaining a steady baseline game, never gave her speedy rival a chance to come back, winning 12 of the last 14 games. Her dominance of the final two sets was as complete as in her

semifinal victory over Austin Friday, when she recovered from a slow start to win, 4-6, 6-1, 6-1.

Lloyd has now won 43 of 44 matches since beginning her comeback in May. Helen Wills Moody holds the women's record of seven U.S. national championships, set between 1923 and 1931.

In setting up a rematch of their classic Wimbledon final, which Borg won in five sets, the two top-seeded men took different paths to the title match scheduled today. Borg, seeded No. 1, lost the first two sets against Johan Kriek of South Africa, then swept the next three in a 4-6, 4-6, 6-1, 6-1, 6-1 victory. It was the 13th consecutive time Borg had won a five-set match.

Kriek, serving better than he ever has in his life, broke Borg in the 10th game of both the first and second sets, each time after winning the first three points.

"When you're down two sets you just have to keep trying," said Borg, who has won the last 13 five-set matches he has played. "During those two sets Johan played very well. I wasn't returning well and I didn't put much pressure on him. But I think maybe he got a little tired at the end of the second set."

Borg, as he always seems to do, then took charge, hitting only one more trouble spot when Kriek broke him to open the fourth set. But Borg surged back immediately and dropped only one more game the rest of the way.

A Worry

Borg beat McEnroe in five sets in the classic final at Wimbledon, after McEnroe won a fourth set tie-break, 18-16. If the top-seeded Swede wins his first U.S. Open crown today, he will need only the Australian Open in December to become the third man to complete a Grand Slam.

"Hopefully I won't be too stiff tomorrow," McEnroe said last night. "It's a bit of a worry... People have been talking about a Borg-McEnroe rematch from the beginning. I guess I'm glad that's happened — I'm not sure I'm glad I'm there, but I'm glad I'm there."

McEnroe, the defending champion, waged a 4-hour-16-minute war with Connors that produced brilliant shot-making, petty squabbles and a \$250 fine against McEnroe. At the finish, McEnroe was the steadier player, taking the tiebreaker, 7 points to 3, and the match, 6-4, 5-7, 0-6, 6-3, 7-6.

McEnroe began as if he intended to finish off Connors quickly. Wide-licking southpaw serves kept Connors on the defensive, and McEnroe controlled the pace of the baseline rallies, alternating short and long strokes as Connors struggled with a familiar problem — forehands into the net.

Superb Shots

The match started in bright sunshine and ended under the lights. McEnroe displayed a stunning reversal of form after losing 11 games in a row. He had taken charge early with breaks in the eighth and 10th games to win the opening set, and had a set point at 5-4 in the second set. But at this point, Connors suddenly turned the match around with superb passing shots.

Connors won the second set with a break in the 11th game on two passing shots, and didn't drop another game until he was up 2-0 in the fourth set. The mood of the match reversed itself again as

McEnroe recovered his poise and broke service in the sixth and eighth games.

McEnroe's shots and mind drifted in the third set as Connors continued to be effective with low returns. By the third game, McEnroe was pointing and complaining about the inefficiency of the electronic eye that assists on service line calls. After losing another deuce game on two backhand half-volley errors, he formally asked the removal of Don Wiley, the chair umpire, but was turned down.

The tournament has been more strenuous for McEnroe than last year's, when he benefited from two defaults en route to the title. He played a tough quarterfinal Thursday night, beating Ivan Lendl of Czechoslovakia in four sets.

Yesterday the fireworks continued in the fifth set. McEnroe broke Connors in the opening game, only to drop serve in the second game. After losing the last point, he flung his racket in the air to protest a baseline call. The wooden racket sailed high across the net like a lob and landed on Connors' side of the court. McEnroe was fined \$250.

Ashe Replaces Trabert

NEW YORK, Sept. 7 (UPI) — Arthur Ashe, whose playing career was cut short by knee trouble, was named today to replace Tony Trabert as captain of the United States Davis Cup team.

Winter's Tale

Beats Field in

Marlboro Cup

NEW YORK, Sept. 7 (UPI) — Winter's Tale captured the lead at the stretch and went on to a 4½-length victory yesterday in the \$300,000 Marlboro Cup at Belmont Park.

The Virginia-bred 4-year-old bay gelding, despite suffering shin problems, completed the 1¼-mile contest for 3-year-olds and up in 1:47, with Jeff Bell aboard. Winter's Tale paid \$8.60, \$4.60 and \$3.60. Glorious Sun came from sixth place at three-quarters mark to pay \$3.00 and \$2.60, and Jalkin Klugman showed at \$3.20.

In winning the Marlboro, the first event of racing's Fall Triple Crown, the Mack Miller-trained Winter's Tale, by Arts and Letters-Christmas Wind, earned \$180,000 for Rokeby Stable and now has five victories in seven starts this year.

Miller had been expressing "great concern" over the sore shins of Winter's Tale, but in the event it was the gelding who kicked dirt in the faces of seven rivals yesterday. Said Miller, "This is the nicest horse I've ever had."

Soccer Results

ENGLAND

Birmingham 1 Liverpool

